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# Twist in Italy: One Leader Not a Suspect

#### Milan Prosecutor Clears President, but Owner of Soccer Team Implicated

By Alan Cowell New York Times Service

- In a land so steeped in public corruption that no one of any prominence seems safe from whispers of misdoing, the magistrates investigating Italy's broadest-ever scandal felt obliged to pause Thursday to say who

they were not investigating.

The figure who inspired this brief reversal of a daily torrent of names - officials and politicians accused of taking kickbacks and businessmen charged with handing them over —was no less a personage than President Oscar Luigi Scalfaro, whose largely ceremonial post none-theless provides the land with a final moral

"In no part of the inquiry has there been any direct or indirect reference to the name of the current head of state," said Francesco Saveri Borrelli, the head of public prosecutions in Milan. A news magazine article suggesting the contrary, he said, was "groundless."

And after that, the nation settled back into

what has turned into a bumpy, daily routine of setbacks for the government and the naming of new names of people in ever-wider areas of public and private business accused of participation in an entire, illicit economy - built of bribes and dubious contracts and worth billions of dollars - running beneath what the public

was able to see.

It even touched an aspect of life Thursday that Italians regard as their weekend release the soccer industry. Among those whose arrest was ordered Thursday was Guseppe Ciarrapico, the owner of AS Roma soccer club.

And, even though Mr. Borrelli has exonerated "the current head of state," investigators did not spare the family of one of his predecessors: Mr. Ciarrapico was accused of fraud along with Mauro Leone, the son of former President Giovanni Leone, of misdoing at a subsidiary of EFIM, a state industrial holding company that collapsed last year with huge debts.

"This is our revolution, like the French had in 1789," said a Florentine business executive, who spoke in return for anonymity. "We may not be using the guillotine, but we are still doing away with a lot of people

Since the scandal broke in Milan 13 months ago, hundreds of politicians, officials and businessmen have been either investigated or jailed for purported complicity in kickbacks that en-abled political parties so linance blusted party machines, dectoral completions. machines, electrical contracts styles of officeholders.

Io return, businessmen secured contracts

See TEALY, Page 4



HAVOC IN GAZA STRIP - Young Palestinian stone throwers in action during a riot Thursday in the Khan Yunis refugee camp, where three Palestinians have died in Israeli gunfire since Tuesday. The army said soldiers wounded 25 people, but a hospital said 45 had been treated for ammunition wounds. It was the third day of clashes in the Gaza Strip.

# Poland Today: An Emerging Sense of Stability

By John Darnton New York Times Service

WARSAW - At the corner of Jerozolimskie and Marszalkowska, biliboards light up the night, burning brightly through the yellowish haze of coal smoke — Coca-Cola, Mariboro,

Across the street at the foot of the dour Palace of Culture, nicknamed Stalin's Gift, scores of red-and-white klosks sell everything from pizza to parnography. In sleek new hotels of marble and manogany, business executives from Bonn and London sit in plush leather chairs, hatching deals.

For a correspondent who left Warsaw with the swell of tear gas still in the air, returning to Poland means visiting a country that is in some vays unrecognizable.

Signs of prosperity are pervasive, at least on

Enough cars clog the streets to generate minunce traffic jams twice a day. Here and there, sall to dishes traine upward on old coment-on iron balconies. Performs and VCRs are in the shops, and detergent boxes bounce through television commercials.

serve with a smile, to sell something, to make money. "Everyone's trying to get his Mercedes fast," said Mariusz Ziomecki, editor of a new magazine called Cash.

But other images intrude. People line up at a cop kitchen in the bowels of a railroad station. Thousands of workers are laid off at the Huta Warszawa steel plants. Women inside a 170-year-old textile factory in Lodz, their legs thick from 20 years of standing for eight bours a day, complain bitterly that their paychecks no long-er cover food, clothing and shelter.

Underneath the new wealth is a current of concern over those who are being left behind. Four decades of preaching egalitarianism, even if it was never really practiced, has implanted a moral conscience that squirms at such sharp contrasts between rich and poor.

"Liberty has its price and the price is high," sald Stanislaw Gajewski, a retired ambassador. "We know the poor would suffer, but we thought it would be for two or three years. Now it's beginning to look like 10 or 20.

But there are only a few signs of discontent. such as a 48-bour strike last month in Lodz, a

Kiosk

**Clinton Expects** 

WASHINGTON, (Reuters)
- President Bill Clinton met

Jacques Delors, president of the EC Commission, on

Thursday and said he did not

expect differences in policies

"I don't want a trade war with the EC and I don't think

Related article, Page 11.

to lead to a trade war.

we'll have one," he said.

Woody Allen

Claims Victory

NEW HAVEN, Connecti-cut (AP) — Woody Allen said Thursday that psychiatrists had cleared him of Mia Far-

row's allegacion that he sexual-ly abused their adopted 7-

The actor, 57, was accused of having molested the child.

117.20

year-old daughter.

No Trade War

even some Poles whose living standards have dropped precipitously say they would never return to communism, a sign, at least, that hope

If the past decade is an example, change can In September 1982, Lech Walesa was under house arrest. Martial law had been in effect for

#### **Privatization Denial** Jolts the Government The Polish parliament defeated a bill

Thursday that would have converted 600 state companies into private enterprises at a single stroke.

The vote seemed to surprise Prime Minister Hanna Sochocka, and it revealed a split in the coalition that she leads. It also raised questions about the long-term prospects of her government of eight months. (Page 4)

between the government of Wojciech Jaruzelski and the Solidarity labor movement.

With thousands of union leaders in jail or underground, many thought that General Jaru-zelski would do something decisive about the nation's paralysis. He did oothing. It was as if Poland went under deep anesthesia and was waking up to find no operation had occurred.

Today, less than four years after democratic forces gained the upper hand, General Januzelski is in retirement, Mr. Walesa is president and the brazen young dissidents are out of jail and sitting in government offices and board

It is a bit unnerving, bringing to mind Kurt Vonnegut's line about looking up and realizing your high-school class is running the world. "Sometimes I can't believe it, either," said

Janusz Onyszkiewicz, a Solidarity leader who killed time behind bars by solving math prob-lems. He is now minister of defease, working in an ornate office under the caze of Polish miltary heroes in framed portraits.

Eleven years ago, Helena Luczywo changed

See POLAND, Page 4

# Greek Ship Thwarts Allies, Delivers Gasoline to Serbs

By Michael R. Gordon New York Times Service

WASHINGTON - Serbia has obtained a vast supply of gasoline, substantially undercutting the Western program to use economie sanctions to pressure the Serbs to stop fighting in Bosnia, Western officials said Thursday.

In one of the worst violations of the blockade, the Serbs have taken possession of more than 425,000 barrels of gasoline from a Greekowned ship. The breach, which Western officials say has

provided the Serbs with a three-month supply of gasoline, comes at a crucial moment, as Washington and its allies are trying to persuade the Serbs to sign a peace agreement and stop its attacks on the Bosnians.

President Bill Clinton only two weeks ago said he would step up enforcement of the sanctions. With the Clinton administration backing away from threats of military action, economic sanctions have become the main means of in-

ducing the Serbs to seek an agreement. A flotilla of U.S. and allied ships have been patrolling the Adriade to stop ships from vio-lating the embargo. But the delivery of the gasoline to the Adriatie port of Bar in Montene-

cargo of gasoline.

gro shows how the Serbs have been able to thwart the West. "Just when we are trying to ratchet up pres-

sure on the Serbs, this comes along," a Western official said. "It is not a good development." The episode is also acutely embarrassing for

and the Western European Union, which has sought to enforce the economie em-bargo on Serbia. At NATO headquarters, the United States has asked the alliance to review its procedures for enforcing the embargo on the Adriatic and prevent a repeat of the episode.

Western officials said the episode began when a ship owned by the Greek shipping company Tsaskos steamed into the Adriatic and was interrogated by Western warships. The vessel was flying the Liberian flag. The vessel's crew then radioed that it was

having mechanical problems and that one of its crew had been injured in an accident and needed to make an emergency stop in Albania. But instead, it steamed into Bar and unload its

NATO has asked Liberia to de-flag the ship. and Western warships are planning to seize the vessel after it leaves Bar. But having delivered a

See FUEL, Page 2

# Germans Cut **Interest Rate** In Response To Recession

#### **Bundesbank Appears** To Believe That Slump Will Be Long and Deep

By Ferdinand Protzman New York Times Service

BONN - The German central bank lowered a key interest rate Thursday in a bid to rekindle European economic growth, tacitly acknowledging that Germany's recession may prove

longer and deeper than expected.

The Bundesbank's action is widely seen by economists as confirming that the central bank will keep lowering German interest rates well into next year, indicating it no longer expects the national economy to rebound significantly in the second half of 1993, as some economists had predicted. Without an economic upturn in Germany, which has Europe's largest economy, the prospects for recovery in other European nations are dim.

Lower interest rates in Germany, however allow its European trading partners to try and stimulate growth by reducing their key lending rates, which several European oations did Thursday in the aftermath of the Bundesbank's

Lower German rates help reduce the speculative pressure on weaker currencies within the European exchange-rate mechanism.

And a continued reduction of German interest rates would also weaken the Deutsche mark and strengthen the dollar, although the immediate reaction of currency markets Thursday went in the other direction. Currency traders said the dollar fell against the mark because the Bundesbank lowered only one key rate, the discount rate, and oot the other, the Lombard

The U.S. stock market took heart from the German cut, with its implications for better economic conditions in Europe and better sales prospects for U.S. companies. (Page 12)

Despite all the other considerations, the recession in Germany appears to be the primary reason the Bundesbank's policy-setting central bank council lowered the discount rate to 7.5 percent from 8.0 percent on Thursday. The Lombard rate was left unchanged at 9 percent.

"We are in a steep recession, possibly the worst in Germany's postwar history," said Gert Schmidt, an economist with IKB Deutsche Industriebank AG in Düsseldorf. "The Bundesbank cannot ignore that any longer. There are oo compelling arguments for keeping rates high. They have no other choice but to lower the

rates, and this is only the beginning. The discount rate is the rate the central bank charges banks for loans. It provides a floor oo interest rates since banks set their loan rates just above the discount rate. The Lombard rate, which acts as a ceiling on money market rates. is less important than the discount rate in a

period of declining rates.

The Swiss, Austrian, Danish and Belgian central banks cut their discount rates after the German move.

In a statement, the Bundesbank said it was

continuing its "policy of gradual rate cuts."
Theo Waigel, Germany's finance minister, applauded the move, which he said gives a "positive stimulus for German economic growth in a difficult economic situation." Thursday's action comes against a bleak eco-

nomie backdrop. Chancellor Helmut Kohl's government predicts that Germany's gross national product will contract by I percent this year, an estimate that is beginning to look too

The automotive, chemical and heavy engineering sectors are the mainstays of Germany's economy and over the past few weeks they have been reporting sharp declines in profits and new orders. The nation's exports have also been suffering, as weakness in much of the industrial world has limited demand for German consumer and capital goods. German industrial ontput

fell by I percent in the fourth quarter of 1992. Inflation was running at a relatively high 4.2 percent annual rate in February, but it is expected to drop to around 3.5 percent by the third quarter of this year.

Despite the recession, which has been deep-

ening since early 1992, the Bundesbank presi-dent. Helmut Schlesinger, set several condi-See RATE, Page 12

# The UN and Cambodia: Fading Hopes

By Henry Kamm New York Times Service
PHNOM PENH — With elections two

months away, the United Nations effort to bring peace to this ravaged country is falling far short of its goals, UN officials, Cambodians and foreign diplomats say.

The goals, defined by the Paris Agreement of October 1991, are to achieve a "comprehensive political settlement of the Cambodia conflict." "restore and maintain peace" and "promote national reconciliation."

But Yasushi Akashi of Japan, head of the UN Transitional Authority in Cambodia, said in an interview, "We have not been able to achieve peace and national reconciliation." Theo Noel, a UN official in Kompong Cham

Province, was even blunter: "At present, in practice, these goals no longer exist." To achieve these ends after a 12-year civil

war, the United Nations has undertaken its most ambitious and expensive operation, budgeting nearly \$1.4 billion and deploying more than 20,000 officials, technicians, soldiers and clerks from more than 100 nations who are virtually running the country.

But the Communist Khmer Rouge, whose agreement with the pro-Vietnamese Phnom Penh government and two other factions was the key element of the peace plan, have reneged. They have refused to put their troops and weapons under UN control; they also plan to boycott the May 23 elections for a constituent

See CAMBODIA, Page 5

# French Communists Down, but Not Out

By Joseph Fitchett nai Heraki Tribune

The second secon

PARIS - Inside French Communist Party headquarters, oursized moided-concrete desks and benches stud the monumental foyer. Down a sparian corridor lies the underground conference center - a curving, highdoned room, evenly lit and exuding smooth lunctionalism, where militants can wrestle tirelessly with the dialectical challenge of history - now running so swiftly against

"It's our cathedral, and we toil like Marxist dogma. monks," an official joked with a visitor. The monastic image seems apt for Communist Party cadres struggling to preserve a

discredited political creed and shrinking heritage. Officially, the Communists are still accorded the status of a major party in France -a little favor among politicians of all sides that involved rule-bending as the Communist

Even Georges Marchais, the general secre-tary known for his aggressive hectoring of opponents and journalists, seems subdued by the prospect of losing his seat in legislative elections this weekend. Polls show the Communists running behind four or perhaps even five other political parties.

Once considered France's most formidable political machine, the Communists can no longer count on funding and protection from

Moscow nor can they maintain the flow of local contributions and work because of the loss of their traditional clientele among workers, immigrants, intellectuals and young peo-

But the party refuses to die, hoping instead that its fortunes will revive thanks to the apparently imperishable tradition of protest and revolt in France.

"This country has deep roots of rebellion on the left and, even right now when capitalism claims to be triumphant, there is strong potential for a phenomenon of rejection," according to Daniel Cirera, a central commit-

See FRANCE, Page 2

# Judge Us Harshly, Bonn Tells the World

By Marc Fisher Washington Past Service

BONN — The German government issued guidelines Thursday instructing its officials at home and diplomats abroad to acknowledge the country's oeo-Nazi problem and the damage it has done to the German image.

The strategy follows several months during which German officials countered foreign criticism of rightist violence by minimizing the rise of anti-foreigner sentiment, accusing foreign reporters of exaggeration, and suggesting that German extremism is no worse than in other West European countries.

"Any discussion of this domestic development requires a clear and unvarnished presen-

distributed to German embassies and Bonn ministries by Chancellor Helmut Kohl's office. "Any attempt to gloss over the facts, any apolo-

gies, are counterproductive."

The handbook, which includes a catalogue of Bonn's efforts to combat rightist radicalism, is part of the Kohl government's response to what critics in Germany and abroad have called Mr. Kohl's slow and lukewarm reaction to a wave of anti-foreigner violence last fall. Seventeen people were killed in more than 2,200 attacks oo refugees, other foreigners, and Jewish memori-

Last fall, when the human rights group Helsinki Watch accused Mr. Kohl of using rightist

tation of the facts," said the 246-page book of policy statements, analyses and opinion surveys country's postwar guarantee of political asylum with a limited right. Bonn officials reacted by accusing Helsinki Watch of being misinformed and holding Germany to an unfairly high stan-

> Now, the government wants its representa-tives around the world to accept that their country, because of the Nazi legacy, is seen through a different prism.

"There's no injustice in judging Germany more harshly and more emotionally than other states when it comes to the protection of democracy and human rights. said the hand-book, which was sent Thursday to all foreign

See GERMANS, Page 2

PEACEMAKER — A boy in Dubrava, Bosnia-Herzegovina, had his mind on peace as he collected playmates' toy gans. But Serbs besieging Sarajevo were cutting escape routes. Page 2.

Dylan, in August at the Con-necticut home of Ms. Farrow. General Dynamics plans a buge payout. Page 11. Up 38.90 Up 211% 3,465.64 The Dollar 1.6415

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DEN

# U.S. Acts to Solidify Support for Yeltsin Russian Foreign Minister Set For Briefings in Washington

By Ann Devroy and Daniel Williams Washington Past Service
WASHINGTON — President

Bill Clinton is scheduled to meet Foreign Minister Andrei V. Kozyrev of Russia next week as both the president and Secretary of State Warren M. Christopher intensify a campaign to build American sup-port behind President Boris N. Yeltsin and his efforts at democrat-

Administration officials said Mr. Kozyrev will come to Washington to brief Mr. Clinton and Mr. Christopher on Mr. Yeltsin's deteriorating political situation and to make preparations for the Clinton-Yeltsin meeting on April 3 and 4 in Vancouver, British Columbia.

Mr. Christopher is to make an address in Chicago on U.S.-Russia policy as part of an effort aimed at building American support for in-creased aid to Moscow. The presi-dent plans a similar, though broader, foreign-policy address before or shortly after the summit meeting,

Having campaigned as a presi-dent who would focus on American economic problems, Mr. Clinton and his team plan to portray the democratic reform of Russia as "an issue that can determine the future of American economic and security policy," an official said. An unsta-ble and threatening Russia would thwart Clinton plans to sharply reduce U.S. Military spending and to redirect it toward solving domestic problems, officials contend.

But the administration's sense of urgency faces formidable obstacles because U.S. budget constraints limit the potential for substantial assistance to Russia.



By Alan Riding New York Times Service PARIS — President Fran-

çois Mitterrand of France has proposed that an emergency summit meeting of the Group of Seven industrialized democracies be held to discuss economic aid to Russia at the same time that President Clinton and President Boris N. Yeltsin meet in Vancouver on April 3 and 4.

French government officials said that Mr. Mitterrand had discussed the idea of expanding the U.S.-Russian summit talks in a telephone conversa-tion with President Clinton on Wednesday. The officials said Mr. Chinton had agreed to consider the suggestion.

Mr. Mitterrand, who first called for an emergency G-7 meeting when he discussed the Russian crisis with Mr. Clinton at the White House last week, reportedly came away from talks with Mr. Yeltsin in the Kremlin on Tuesday deeply alarmed by the new threats

to Russian democracy.

After a cabinet meeting on Wednesday, a government spokesman quoted Foreign Minister Roland Dumas as saying that "the summit meeting between Mr. Yeltsin and Mr. Clinton could be expanded to other members of the G-7 or be followed by a G-7

meeting fairly quickly."
Up to now the idea of expanding the Clinton-Yeltsin meeting had only been backed

Furthermore, the Russian central bank has failed to control the country's money supply. That failure has fueled inflation — now at 30 percent to 50 percent a month undermined the value of the Russian currency, and made it likely that any Western assistance would quickly flow back out of the country to safer havens.

While cautioning that Russia's fate is essentially in its own hands, a senior official said Mr. Clinton was pushing forward on several tracks. The first is aid, which the president has proposed to increase to \$700 million in fiscal 1994, from about \$300 million.

Also under way is an effort to ease the burden of Russia's approximately \$80 billion in international debt, and to do so before a meeting in July of the leaders of the Group of Seven major industrialized de-

Rescheduling the debt would free up Russia's foreign-exchange earnings for use in importing food, equipment and other goods needed to get the Russian economy moving and ease the transition from a state-controlled to a free-enterprise

A senior official said Wednesday that Mr. Clinton was intent on "breaking the logiam" over Russia's debt. He said the president wanted to get the International Monetary Fund and the World Bank "more aggressively active" in

making new loans to Russia. The IMF already has bent some rules for Russia, giving it access last year to about \$1 billion even though the Russian economic-reform program was only partly com-

The Clinton administration wants further waivers so that Russia can borrow more. Much of Russia's existing debt, however, is held by European nations, particularly



Eduard Shevardnadze, the Georgian leader, on Thursday, inspecting a Sukhumi area that was destroyed by separatists' shelling.

# Georgia Is Provoking an Attack, Russia Asserts

MOSCOW - Russia's military accused Georgian troops on Thursday of attacking its facilities in the southern state to try to draw Moscow into the battle over the separatist region of Abkhazia.

If illegal actions against Russian facilities

continue, Russian troops will resolutely take all necessary steps including use of force in stop any provocations," Russia's Defense Ministry said.

The ministry statement heightened the countries' war of words over Abkhazia, a Black Sea coastal region whose Muslim minority has been battling for greater autonomy

were killed and eight wounded on Wednesday in an attack on a military sanitorium in the Abkhazian capital, Sukhumi, and another against a military laboratory in nearby

Sukhumi is held by Georgian troops, and Eshera is controlled by Abkhazian forces. Moscow officials insisted that thousands of Russian soldiers still in Georgia were neu-tral, although they acknowledge that they bave fired in self-defense. Georgia asserts that the Russians have armed and aided the Abkhazian separatists.

The Georgian leader, Eduard A. Shevardnadze, this week described the warfare as a from Georgia since summer.

The Defense Ministry said five civilians order a full military mobilization if the fight-

ing continued. He asked for a one-on-one meeting with President Boris N. Yeltsin.
"Thousands of Russian citizens — merce naries and regular army men — are directly involved in military hostilities against Georgia," said Mr. Shevardnadze, a former Soviet foreign minister.

Abkhazian separatists said Wednesday they had halted an offensive against Sukhumi after four days of fighting that took hundreds of lives. They reportedly pulled back to bases over the Gumista River.

The Georgian Defense Ministry said that Abkhazian forces repeatedly tried to cross the river early Thursday but were repulsed by Georgian shelling, the Interfax news agency

through.

# The attempt Thursday to get a relief supply convoy of 14 trucks that it not be accompanied by a through to Srebrenica supplies desperately needed in Srebrenica. UN officials in Sarajevo reported that 16 people awaiting great that 16 people awaiti Bosnian Serbs Move to Cut Routes From Sarajevo

By David B. Ottaway

Washington Post Service SARAJEVO, Bosnia-Herzegovina - Bosnian Serbian leaders have begun a major offensive to close off the last Muslim escape route from this besieged city and establish a corridor around the airport on its western flank, according to Muslim civilian and military leaders. Since Monday, Serbian forces have pounded the last Muslim-held

suburbs on the southern side of the airport runway while laying down a devastating barrage of sniper fire. punctuated by artillery and mortar shelling, across the downtown area.

The city came under the worst barrage Thursday in months, and Ganic, accused Serbian forces besieging the city of beginning a "fullscale attack" to provoke the Muslim delegation into suspending the

"Any peace talks, any kind of peace, is not convenient for them,"

The Bosnian president suspended his participation in the peace talks Thursday, saying he could not be involved while Serbs continued their offensive in eastern Bosnia and Sarajevo, Reuters reported from the United Nations, New

[President Alija Izetbegovic, a Muslim, who arrived in New York late Wednesday, said his meeting with the mediators, Cyrus R. Vance and Lord Owen, was very short because of the "bad news" from Bosnia that made it impossible to continue talks. He added: "That doesn't mean we interrupt the negotiations. We are staying in our hotel, and we are waiting that Serbs stop killing the people."]

By mid-afternoon in Sarajevo, 37 civilians were reported wounded, bringing the total since Monday to Il dead and 130 wounded. Bosnian Serb forces delayed for

awaiting evacuation from the besieged town died overnight from their wounds.

Observers said it seemed unlikely that the leader of the Bosnian Serbs, Radovan Karadzic, would yield to international diplomatie pressure to sign the UN-sponsored peace agreement for Bosnia until the outcome of this latest offensive in Sarajevo and in eastern Bosnia

The Serbs in Sarajevo are facing create a viable sector under their control for the postwar period. Muslim officials say the Scrbs want to divide Sarajevo into three ethnically based sectors. But the Serbs only control a patchwork of separated city suburbs and one central

were now "fighting to the death" to get to what little food is being dropped there by U.S. aircraft. The last ground delivery of relief sup-

plies was Dec. 10. The latest Serbian condition for carriers anyway.

(Continued from page 1)

huge supply of gasoline to Serbia.

the damage has been done, West-ern officials said.

tion of the embargo. And recently a

prosecutor in Thessaloniki filed

criminal charges against two Rus-

sian-flag ships, the Dnieper 1 and

the Dnieper 2, which arrived carry-

But the recent episode shows

that sanctions-busting by Greek-

ing iron loaded from Serbia.

lon, ordered the convoy to go forward Thursday morning accompa-nied by five armored personnel

FUEL: Greek Ship Evades Blockade to Supply Serbs owned ships is still a major prob-lem for the West. The United States is planning to bar companies that repeatedly violate the embargo

> Meanwhile, the Bosnian vice president, Zlatko Lagumdzija, crîticized Defense Secretary Les Aspin at a press conference in Washington for suggesting that the United States would send peacekeeping troops to Bosnia.

The Bosnian official said that his

from doing business with the Unit-use force if necessary to ensure that Greece has promised to crack from doing business with the Unit-down on shipping traffic in viola-

blocked it at a bridge between Bra-

tunac and Srebrenica, saying that they had received no instructions

from their superiors to let it

This has often been the Serbian

pretext for stopping convoys in the

Mr. Aspin's comments run counter to the planning being done at the North Atlantic Treaty Organization, suggesting that there is disarray within the Clinton administration on the issue.

# At least three luxury hotels in Bombay are installing metal detectors, and some are plauning other measures to revive tourist confidence in the city following bombings last week that killed nearly 300 people. (AFP)

city's jewelry market.

Rioting enguifed the Zambian capital, Lusaka, on Thursday, bringing business to a halt before police ringed off the city and restored control. Although the reason behind the riots was not immediately clear, the rioters looted several shops and stoned cars, severely damaging six. (AFP)

12 years of Socialist rule.

less than 9 percent.

ago," Mr. Circra said.

As a result, the deep unpopulari

cantly benefited the Communists.

ty of the Socialists has not signifi-

A double-digit showing in the first

round of voting on Sunday would be a giddy success for the Commi-

nists: most polls show them getting

"We have been hurt because peo-

ple associate us with the Socialists,

even though we pulled out of the

government coalition a decade

Now the Communist Party,

spent as a mainstream political

force, is maneuvering to become

the hard core of a new radical front

a broad coalition of groups ready to rebel against the social costs of France's quest to become

This Communist comeback

strategy seems to envisage, in the wake of a probable Socialist elec-

toral rout, a split in Socialist ranks that would prompt dissidents to work with the Communists to

"What do people see as concrete results after a decade of market

economics in the United States and

His answer was that French vot-

ers see "an explosion of profits for

business, an explosion of unent-

To remedy that, the Communists

want France - and the European

Community — to turn away from

There is a lot more support in

the pursuit of economic growth and

than people yet realize," Mr. Cirera

said, indicating that the Commu-nists anticipate a social explosion

that they will be well placed to

instead promote job creation.

the population for drastic reme

channel popular discontent.

Europe?" Mr. Cirera asked.

ployment for people."

more competitive economically.

WORLD BRIEFS

Tehran Denies Report of Fatal Blast

NICOSIA (AP) — Tehran on Thursday denied an opposition report
that a bomb had exploded at the residence of Iran's spiritual leader.
Ayatollah Sayed Ali Khamenei. killing 20 people.
The official press agency, IRNA, quoted a Foreign Ministry spokesman as saying the report was "fabricated and politically motivated."
Tehran radio carried an interview with Ayatollah Khamenei that it said
was conducted Thursday. In his remarks, devoted to urging Iranians to
take part in demonstrations on Friday to express solidarity with Palestin.

take part in demonstrations on Friday to express solidarity with Palestin-

Mobutu Names Rival Prime Minister

KINSHASA, Zaire (Remers) — Zaire had two rival prime ministers on

Thursday after President Mobutu Sese Seko carried out his threat to

dump the pro-opposition prime minister, Etienne Tshisekedi.

A "political conclave," convened by Marshal Mobius but boycotted by the Sacred Union opposition alliance, named Faustin Birindwa as prime minister on Wednesday. Mr. Birindwa, a Tshisekedi aide until last

prime minister on Wednesday. Mr. Burndwa, a Ishnekedi ande until last month, met Marshal Mobutu on Thursday to discuss his cabinet.

The appointment was a direct challenge to Mr. Tshisekedi, who was dismissed by Marshal Mobutu in December but refused to accept the president's authority. His stand was backed by a majority of Zaire's interim parliament, the High Council of the Republic, and by the governments of the United States, Belgium and France.

Gunmen in Costa Rica Agree to Talks

SAN JOSE, Costa Rica (AP) — Three gummen entrenched in the Nicaraguan Embassy agreed Thursday to release five of 16 people they were holding hostage and resume talks to end the standoff.

"After the first meeting, we will release five hostages," the Nicaragnan gummen said in a statement read to reporters. The men said they would be added to the first meeting the product of the first means in one court which would be granted to the product of the first means in one court which would be granted to the product of the first means in one court which would be granted to the product of the p

put all their weapons in one room, which would be gnarded by Roman Arrieta Villalobos, the Roman Catholic archbishop of San José. The five hostages would then be released after the first round of

negotiations, the gummen said. The statement did not say when the talks

would begin. The gunmen, led by a Nicaraguan-born dissident, José Urbina Lara, stormed the embassy on March 8, demanding \$6 million and changes in the government of the Nicaraguan president. Violeta

Bonn Gets Bigger Say on Maneuvers

BONN (Reuters) — The United States and its allies signed an accord

Thursday giving Germany greater power over Western forces stationed on its territory, including limits on maneuvers.

U.S. officials said the agreement, which should take effect late this year

after approval by Bonn and six other governments, reflected Germany's return to full sovereignty after its reunification.

The accord, worked out in 16 months of talks, puts limits on ground

and air maneuvers, a long-standing demand of Germans living near test ranges. But experts said the most drastic change in everyday life would probably involve drivers' licences. Military-issued ones will no longer be allowed, meaning that service members and their families will have to get

U.S. Tries to Settle Somali Clan Feud

KISMAYU, Somalia (Renters) — A U.S. quick-reaction force of 500 troops arrived Thursday in Kismayu to restore order in the southern Somali port and investigate clan fighting that has derailed national

Army Brigadier-General Greg Gile, commander of the force, said the reinforcement would bolster Belgian and U.S. troops already in the city and would send "a message to the warlords that fighting is not the way to

India Arrests 2 in Bombay Bombings

BOMBAY (Reuters) — Indian police arrested two men on Thursday who they say planted two of the bombs that exploded in a coordinated

blitz in Bombay last week.

The police said the men were hired by a drugs snuggler whose motive was to spread chaos. The Bombay police chief, Amarjeet Singh Samra, said one of the men drove a jeep packed with explosives to a market in central Bombay and the other parked a booby-trapped motorcycle in the

The resulting explosions were among 13 bomb blasts that ripped through the city. India's commercial capital, in a two-hour period last Friday, killing at least 250 people and wounding 1,200. Mr. Samra said the two men, whom he did not identify, were hired by Ibrahim Abdul Razaq Memon, a drug smuggler, and his family.

TRAVEL UPDATE

their licences at home or from German civilian authorities.

ians, the ayatollah did not mention the reported blast.

# **Study Takes Stock** Of German Violence

BONN - Because of its Nazi past, Germany deserves to be judged more harshly than other countries on defending democracy and human rights at home, the government said Thursday in an offi-

A review of official reactions to racist violence that shook the country last year, the study said Germany's image had suffered badly from far-rightist rioting, which reminded foreigners of the Nazi era.

But Bonn and the 16 federal states have sought to stem the racist ride by applying laws more firmly, promoting the integration of foreigners and stressing tolerance in schools, according in the study, which was prepared by the Federal

There is no injustice in judging Germany more harshly and more emotionally than other states when it comes to the protection of democracy and human rights," the

The press office said Chancellor Helmut Kohl's cabinet had commissioned the study on Dec. 2, as Germany was coming under world-wide criticism over the violence. According to the office, the

study aimed mainly to help Bonn's diplomats abroad explain the issue of rightist extremism in Germany and the government's reaction to it. Reporting on the effect of the racist rioting, the study said: "The events have badly damaged the positive image of Germany that had started to take root abroad

democracy in West Germany and the goodwill sparked off by Ger-It added: "In many countries,

the racist wave recalled parallels to the Weimar Republic and the Nazi era. If this image is confirmed or strengthened, there is a danger of permanent damage to Germany's fragile reputation. At the same time, it said, the

current situation is not as serious as in the Weimar Republic, when internal chaos paved the way for Hitler to take power. There is no reason to compare

the situation in post-unification Germany with that of the Weimar Republic," it said.

Has Racism Cooled? Stephen Kinzer of The New York Times reported from Weimar, Ger-

Officials who deal with foreigners' problems in Germany say they believe that racist sentiment has sharply declined in recent months. by new statistics showing that attacks on foreigners are now far less

requent than they were last year. "A year ago, even six months laws, increased police surveillance ago, it seemed that our society was and new school programs designed paralyzed by violence," Cornelia Schmalz-Jacobsen, the government's chief adviser on foreigners, told reporters in Weimar.

Mrs. Schmalz-Jacobsen attributhad started to take root abroad ed the change in attitude partly to after almost 50 years of credible the candielight vigils held in many

MONTREUX: Montreux Palace

Henning Wegener, director of the government press office's foreign department, "without doubt has considerably injured the image of Germany. When a group of Jewish-Ameri-

ers from B'nai B'rith met with Ger-The new Bonn drive to address foreign concern about neo-Nazi vi-

olence and about the increasing voter support for the extremist Republican Party includes a series of invitations to U.S. business, political and professional groups.

Chambers of Industry and Commerce has sponsored a visit by a Jewish-American group, illustrated the attention Bonn is giving to renarply declined in recent months. laying its message. The U.S. group
Their conclusion was supported met with the most senior officials of the German trade union movement, industry and government, who described toughened criminal laws, increased police surveillance to crack down on neo-Nazis and discourage young Germans from

(Continued from page 1) tee member responsible for international affairs.

Despite the party's current un-popularity, poll-takers find that one-third of French can imagine themselves voting Communist in some circumstances, he said. In the 25-to-35 age bracket - crucial if the party is to have a future - as many as 40 percent say they could otentially vote for a Communist,

the party's data show. Currently, the strain of protest mixed with utopianism in French politics is benefiting the ecologists. not the Communists. But Mr. Cirera, without explicitly dismissing the ecologists as a symptom of French yuppiedom, emphasized the Communists' credentials as the real spokesmen for one side in a country that has divided along leftright lines for generations.

"A vote of 8 percent for the

Communists has much more serious impact than a 15 percent vote for the Greens," he said. But the historical strength of the

party, which Mr. Cirera and other cadres hope will enable the Communists to survive, also is a crushing weight on their prospects.

Their dilemma is symbolized by

#### Socialist Losers May Aid 'Greens'

PARIS - The French Socialist Party, which is expected to be de-feated in legislative elections, will tell candidates to drop out in favor better-placed ecologists after Sunday's first round of voting, Le Monde reported Thursday.

The newspaper said that Socialist leaders agreed on the decision by telephone on Wednesday and that it would be endorsed by the party executive on Sunday.

The move could increase the chances of the two-party ecologist alliance of winning at least some seats in Parliament and cut into an expected giant conservative majority. A former Socialist prime minis-ter, Michel Rocard, proposed the move as part of his drive to build a wider progressive movement after

FRANCE: Communists Are Down but Not Yet Out the headquarters building in which Mr. Circra was interviewed: No other poblical party has ever built countries, they acknowledge that they are suffering severely from an overall disillusionment with leftist its own permanent headquarters. parties among French voters after

so it is too important to abandon. Yet, the forbidding-looking build-ing, nicknamed "the bunker" by Parisians, intimidates outsiders, reminding them of a past that the party would like to live down. A black glass monolith, curved

to suggest the hammer-and-sickle signia, the building was erected in the mid-1960s when events still buoyed Marxism. Designed by Oscar Niemeyer — the Lenin prize-winning architect who also built Brazilia, the bureaucratic city that is Brazil's capital — the building was constructed with sunken entrances that can be easily scaled off against mob attack

Beyond its fading electoral fortunes, the party is reportedly losing members, even though numbers are not disclosed, and greying because of the lack of young recruits. The party newspaper, Humanité, has shrunk to a thin tabloid, and

there are no militants to hawk it in the streets of working-class neighborhood. Its circulation is now around 50,000 compared with about 150,000 in the 1980s. Communists have even been voted out in an arena where their ex-

pertise counted - the semiofficial councils, known as Prud'hommes, elected by workers to handle labor arbitration. The Communist trade union, the CGT, has lost its hold on workers, even in state-owned companies and services.

Despite these deep problems, the Communist Party has historic strengths. "What other political party puts out a daily newspaper at ail?" Mr.

Cirera pointed out. Unlike other European Communist parties the French Commu-

nists have not changed the party's name or split. They doggedly dis pute the mounting evidence of sub-terranean ties with Moscow. For funds, the party can still draw subsidies from hundreds of

local governments under their con-Even though French Communists feel that they have weathered

the international blows better than

Rushdie Makes a Paris Trip Agence France-Presse PARIS - The British author

Salman Rushdie met Thursday with government officials in Paris on his first visit to France since being condemned to death by Iranian religious authorities four years their brothers in other European ago.

#### On June 11th, the IHT will publish a Special Report on

Aviation

Among the topics to be covered are:

 Competition – opening up the EC's air transport market

Shakeup in the defense industry

Strategies for beating the recession

 Already overcrowded European hubs Impact of competition in the long-haul market

This Special Report coincides with the Paris Air Show (June 11-20) with bonus distribution. For advertising information, please contact Juanita Caspari in Paris at: (33-1) 46 37 93 76.

Herald Eribune.

## **GERMANS:** Judge Us Harshly

correspondents in Germany, with offers of upcoming versions in

three foreign languages.
Anti-foreigner violence, said

can business and professional leadman Economics Minister Günter Rexrodt on Thursday, Mr. Rexrodt's aides had the new handbook with them and referred often to it.

The B'nai B'rith tour, the first time the Association of German

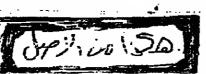
drifting to extremist groups. Most of the Germans explained "We can't say the problem is behind us," she added, but we can breathe a sigh of relief."

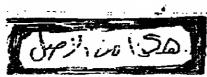
the support for far-right parties seen in recent state elections as a cry of protest from a population upset by the costs of German reunification and frustrated by a seeming political stalemate in Bonn.

CARD OF THANKS As it is not possible to respond individually to the numerous messages of condolence receive on the occasion of the death of H.E. Claude Talbot CHARLAND

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# FIRST 100 DAYS / A DEMOCRATIC COMPROMISE

## Some Guests Weren't Laughing

The Winds

WASHINGTON - Several speakers at a Republican dinner in Virginia, including Oliver L. North, made jokes at the expense of homosexuals or blacks, leading a local homosexual group and the NAACP to demand apologies.

Several of the comments targeted President Bill Clinton's plan to allow homosexuals in the military. The jokes led to gasps of surprise and uncom-

fortable groans from some in the audience.

Colonel North, who is considering a campaign for the U.S. Senate from Virginia, pretended to be a lisping homosexual caller to the White House. Charles Black, a political consultant who was a former chairman of the national party, said Mr. Clinton wanted the Marine Corps hymn to include the lyrics. "Don we now our gay apparel."

State Senator Warren E. Barry, of Fairfax, Vir-

ginia, who is white, referred to the 14th Street bridge linking Northern Virginia with the majority-black District of Columbia as the "Soul Brothers' Causeway."

The remarks were made at a black-tie roast honoring a former Virginia congressman, Stan Parris. Some of the 250 guests said they thought some of the comments went too far.

A political analyst said such remarks fueled the perception, encouraged by last year's Republican National Convention, that the party was intolerant of minorities. These are the kinds of examples that, in fact, can help create the image that Republications. heans are losing ground now and losing touch," said W. Avon Drake, head of the African American Studies Department at Virginia Commonwealth University.

Some of the speakers said that the roast was supposed to be funny, and none offered an apolo-

#### Pentagon Spokesman Joins NBC

WASHINGTON - Pete Williams, the Pentagon spokesman whose press briefings were broad-cast worldwide during the Gulf War, has signed with NBC News as a national correspondent, based in the Washington bureau.

Mr. Williams, 41, worked from 1976 to 1985 at an NBC station in Casper, Wyoming, as an anchor, reporter and news director. The next year he became press secretary and legislative assistant to then-Representative Dick Chency. Republican of Wyoming, He subsequently joined Defense Secretary Cheney as assistant secretary for public affairs

The NBC bureau chief, Tim Russert, said that Mr. Williams would cover a wide range of subjects, but not the Pentagon.

#### Gnatcatcher's Future Is Up in Air

LOS ANGELES - The Fish and Wildlife Service missed a deadline to decide whether to list a songbird called the California gnateatcher as enngered, taking no action for now in a case that has emerged as a symbol of the Clinton administration's efforts to deal with threatened and endan-

gered species without hindering economic growth.

The delay is expected to be only a short one to allow the new secretary of interior. Bruce Babbitt, to study the issue further. The organization that petitioned to list the bird, the Natural Resources

Defense Council, said it would not sue for now. The gnateaucher inhabits 200,000 acres (\$1,000 hectares) of prime housing land in Southern California, and developers say thousands of jobs would be threatened by an endangered listing, which would have forced federal officials to start devising a plan to save the bird by protecting its habitat. The administration hopes California officials, developers and environmentalists can instead find a compromise that would leave enough land to ensure the bird's survival but allow some develop-

#### **Quote/Unquote**

Dr. David Pearle, Defense Secretary Les Aspin's cardiologist, after a two-hour operation in Washington on Thursday to implant a pacemaker to correct Mr. Aspin's worsening heart condition: "Everything went fine."

REUNION — A high school student, rescued with 80 classmates after being trapped nearly a week in snow in Termessee's Great Smoky Mountains, running to her mother on returning home to Bloomfield Hills, Michigan. Eleven more likers were found Thursday. The Tennessee National Guard estimated that 35 campers remained but said it had no way to know for sure.

#### **Away From Politics**

 While Florida abortion-rights supporters picketed outside the Pensacola courthouse, a public defender entered a plea of not guilty for Michael F. Griffin, 31, who is accused of killing Dr. David Gunn, an abortionist. The defender was appointed until a index can hold a heaving on whether Management and the second of the property until a judge can hold a hearing on whether Mr. Griffin should be granted his request to defend himself, using the Bible as a lawbook.

Tacrine, the first drug proposed to fight Ak-beimer's disease, has been found to be of signifcant help, according to reports given to a Food and Drug Administration advisory panel. The drug was tested at 20 hospitals.

 The driver of a gasoline tanker in Florida, stuck on a railroad crossing in bumper-to-bumper traf-fic, desperately tried to clear the tracks before an Amtrak train slammed into his truck, creating a fireball that killed him and five other motorists.

Fifteen motorists were injured. The 118 train passengers had minor injuries.

 A California grand jury has indicted two Long Beach men accused of trying to shoot one of the endangered California condors that had been re-leased into a national forest as part of a \$15 million project to save the birds from extinction. Cesario Quinteros Campos, 32, and Ricardo Contreras Tirado, 23, were charged with firing a 22-caliber rifle at the bird last summer.

 Civil rights leaders are demanding an inquiry into suspicious hangings in Mississippi jails, saying abuses are as bad as in some countries cited for violations by the United Nations. Forty-seven inmates, 24 black, have died by hanging while in the custody of Mississippi law enforcement in the last

AP, NTT, LAT, Resters

# Escobar Offers New Surrender Terms

BOGOTA - The fugitive drug trafficker Pablo Escobar Gaviria
has proposed a new set of conditions for his surrender, and Colombia's chief prosecutor said that they were acceptable.

in a message delivered to the Roman Catholic bishop of the city of Bucaramanga by one of Mr. Es-cober's lawyers, the drug trafficker said that to avoid being poisoned he wanted private cooking facilities when in prison. He also asked that he be allowed to call family members three times a week and that they be given government protec-

Since his escape from prison last July. Mr. Escobar, the head of the Medellin cocaine trafficking ring, has made repeated attempts to negotate his surrender, but up to now the authorities have refused all of his offers. Two weeks ago, Mr. Escobar said he would num himself in if the US government would pro-

After hearing of Mr. Escobar's latest message Wednesday, the chief prosecutor, Gustavo de Greiff said: "I do not see any difficulty in abiding by these requests, not as a concession but as a solution."

But a senior government official sought to dampen expectations that Mr. Escobar's offer would

"Escobar is like a poker player," be said. "He is testing his cards." The official added that the Co-

lombian government was not seeking Mr. Escobar's surrender and
still intended to capture him. "A
surrender is a legal instrument and the decision lies with the criminal,"

The drug lord's new proposals are modest compared with the conditions be set for his first surrender in 1991 when, among other concessions, he was allowed his choice of security guards.

Since February, Colombia and the United States have been offering a reward of more than 56 million for information leading to his

#### 5 From Kosovo Killed In Hostel Fire in Italy

The Associated Press TRENTO, Italy - Fire swept through a barn used as a hostel for refugees from the former Yngosiavia, killing five immigrants from Kosovo on Thursday, authorities reported. Investigators were look-

e into possible arson. The victims were identified as a 42-year-old man and his two sons, aged 16 and 17, and two other teen

pending against Mr. Escobar in Colombia, and courts in the United States have charged him with conspiracy and drug trafficking.

WASHINGTON - The Senate has anproved legislation to ease voter-registration rules after a Republican filibuster forced Democrats to abandon a bothy contested provision requiring registration at welfare and unemployment offices.

By Helen Dewar

Washington Post Service

While Democrats argued that the provision would encourage participation in elections by low-income or jobless people, Re-publicans argued publicly that it could lead to coercion by public officials and com-plained privately that it probably would lead to registration of more Democrats.

license, was approved, 63 to 37, with five Republicans joining all Democrats in voting tration requirements for welfare and unemfor the measure

Senate Agrees to Make Voter Registration Easier

But Democrats, unable to end two weeks of delaying tactics by Republicans without acceding to some of their demands, had to drop requirements for registration at welfare and unemployment offices as the price for registration services. Under a Republican passing the bill and putting it on track for virtually certain enactment.

The Democrats also had to agree to make a "good-faith effort" to get the House, which has approved a similar bill, to drop registration by social-service offices, although they stopped short of agreeing to hold up final

playment offices.

As finally approved, the Senate bill made registration of voters at these offices optional rather than mandatory, although offices that serve disabled persons would have to provide amendment, military recruiting offices also would have to register voters.

"I regret we had to make these changes but it was necessary." the Senate majority leader. George J. Mitchell, Democrat of Maine, told the Senate after the vote.

At a news conference later, Mr. Mitchell The long-stalled "motor voter" bill, which would require states to allow people to register by mail or when they apply for a driver's of Michigan and sponsor of the bill in the described the Republican maneuver as "crucker by mail or when they apply for a driver's of Michigan and sponsor of the bill in the cans to the bill demonstrated an "abject"

message" to support a broadening of the

electorate. Republicans, who lack the votes to pass their own legislanon but can stall Democratic initiatives if they hold ranks, had used the motor-voter bill to show the Democrats they

must deal with them, especially on bills with a political impact.

The bill, which would take effect in 1995. would not prohibit more far-reaching easing of voter registration rules by states. More than half the states and the District of Co-

lumbia have imposed motor-voter or mail-registration procedures or both. A federal voting assistance official said the hill would have no effect on Americans who

# Possible Ringleader Of N.Y. Tower Blast May Be in Pakistan

NEW YORK - A fourth suspect, described as a possible ringleader of the World Trade Center bombing, has disappeared overseas and may have fled to Pakistan, fed-

eral law-enforcement officials said. They said Pakistani authorities had not been particularly helpful in the search, but the Pakistani Embassy in Washington condemned the attack and promised full cooperation in the investigation, includ-ing extradition of any suspect.

Meanwhile, tenants began returning to one of the trade center towers on Thursday, officials of the Port Authority of New York and New Jersey said. The second tower may begin to reopen next week.

The Port Authority, which operates the trade center complex, said crews had been installing new security systems and cleaning up layers of soot from the towers since the Feb. 26 explosion in a parking garage under the towers.

Federal indictments were announced Wednesday against three suspects arrested earlier. Two -Mohammed A. Salameh, 25, an il-

## A U.S. Envoy To Ulster Is Put on Hold

By Gwen Ifill New York Times Service WASHINGTON - President

Bill Clinton, who promised during the presidential campaign to help solve the civil unrest in Northern Ireland, has indicated that he will time soon.
At a White House ceremony

commemorating St. Patrick's Day. Mr. Clinton, wearing a bright green tie, received the traditional crystal bowl of shamrocks from Prime Minister Albert Reynolds of Ire-

ish and the Irish governments will get back together and begin a serious dialogue soon," Mr. Clinton said later. "I think that is a precondition, as I said, for the other talks

both promised to help foster peace fying a check in Egypt in 1987. in Northern Ireland and denounced what they described as

human rights abuses there.

Mr. Clinton said that the possibility of naming a special envoy

rights. "I think it is inappropriate United States. now for me to do more than just to say that I think the government that based on information he de-should, in earnest, embrace the op-clined to detail, Mr. Abouhalima

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legal alien of Palestinian orgin, and Nidal A. Ayyad, 25, a Kuwaitiborn chemical engineer - were charged with damaging the twin tower complex "by use of an explosive device, causing the death of six

DCTSOUS. The third suspect, Ibraham A. Elgabrowny, 42, an Egyptian-born contractor, was charged by a federal grand jury with obstructing jus-tice by scuffling with officers ar-resting him on March 4.

Port Authority officials said that Mr. Elgabrowny had been at the trade center for construction seminars in the fall of 1991 and in December 1992 — information that is now under investigation by the FBI. Looking into the reported coincidence, investigators are trying to determine whether during those visits Mr. Elgahrowny was in the garage area near where the carbomb exploded.

Senior law-enforcement officials have identified the missing fourth suspect as Mahmud Abouhalima, an Egyptian-born taxi driver who listed his residence as Munich and lived in recent years in Brook-lyn. An associate of Mr. Salameh's, be disappeared shortly after the bombing, the officials said.
One leading investigator said

that most investigators in the case would identify Mr. Abouhalima as the ringleader.

Meanwhile, the fundamentalist cleric whose disciples have been arrested in connection with the bombing said in an interview pubished Thursday that he was religiously bound to refrain from breaking U.S. laws. In the interview with the Lon-

don-based, Lebanese-run Al Hayat newspaper. Sheikh Omar Abdel Rahman denied any involvement in the bombing.

He said he had from within the United States for

the overthrow of President Hosni Mubarak's Egyptian government. "I wish to continue my struggle against the Egyptian regime from the United States." Sheikh Abdel Rahman said. "Consequently, it's irrational for me to carry out an "I am very hopeful that the Brit- attack that would strip me from

Sheikh Abdel Rahman, who preaches at a New Jersey mosque, was ordered deported on Wednes-day by a U.S. immigration judge. The Immigration and Naturaliza-While campaigning last year, tion Service said that the sheikh did Mr. Clinton and Edmand G. (Jernot disclose to immigration offiry) Brown, at the time his last recials that he was a polygamist, and maining Democratic opponent, that he had been convicted of falsi-

His lawyers have said the 54year-old sheikh would appeal the deportation order.

A Brooklyn man familiar with Sheikh Abdel Rahman and his cirremained, but that Washington cle, who spoke on condition that he should stay out of the talks for now. not be identified, has told investi-A White House spokesman said gators that Mr. Abouthalima had Mr. Clinton, who met with Prime been a driver and personal assis-Minister John Major of Britain last tant to the sheikh during the six to month, would not necessarily de-scribe the condition in Northern the New York borough of Brook-Ireland as an abuse of human lyn after his 1990 arrival in the A law-enforcement official said

portunities that are before them, was thought to have fled to Paki-and I will be as supportive as I stan, perhaps to the same area sus-can," Mr. Clinton said. And whenever there seems to sought in the shooting deaths of be something else I can do by tak- two employees of the Central Inteling further action, then I will do it. higence Agency outside the head-1 don't want to do anything to quarters in Langley. Virginia, in undermine the peace process."

January. (N1T, AP)

MANDARIN ORIENTAL

THE HOTEL GROUP

# Pressure Mounts on FBI Chief

#### Sessions Wanted to Face Down Cultist 'Texan to Texan'

By David Johnston New York Times Service

WASHINGTON - Senior Clinton administration officials have concluded that William S. Sessions, the director of the FBI, has lost support at the White House, the Justice Department, his own agency and Congress, and stands little chance of

keeping his joh.

A scathingly critical report on Mr. Sessions' use
I lanuary badly of official perquisites issued in January badly wounded the head of the bureau. The finding of ethical lapses was made by an internal ethics unit and was adopted by William P. Barr, the attorney general under President George Bush.

Clinton aides said ethical issues still remained a consideration in determining Mr. Sessions' future, but that the review bad also led to a broader reexamination of whether Mr. Sessions could manage the law-enforcement agency.

Senior officials, including Justice Department and White House aides who had previously taken no position about Mr. Sessions, have determined that he no longer has the confidence of the career managers who run the bureau on a day-to-day hasis. They have also concluded that his deterioraling relationship with top deputies could prove as damaging as the findings of ethical laxity for a law-enforcement official whose office symbolizes strict adherence to high standards of conduct.

Some administration officials were especially concerned about Mr. Sessions' judgment after he offered recently to fly to his home state of Texas in an attempt to negotiate an end to an armed standoff in Waco between members of a religious cult and federal agents. Such conclusions, along with Mr. Sessions own

defense of his actions, are being presented to Attorney General Janet Reno, who has been charged with reviewing his tenure and recommending to President Bill Clinton whether the FBI director should remain in his joh. Only the president has the power to dismiss the

FBI director. Under a law enacted in reaction to abuses in the nearly live decades when J. Edgar Hoover was director, the head of the bureau now serves a single 10-year term. The law is intended to give the office political independence and at the same time to limit a director's tenure.

With Ms. Reno having committed the administration to deciding soon about retaining Mr. Sessions, the decision-making process has seemed to accelerate and corridors at the bureau's headquarters are awash with speculation about his future. Some officials expect a decision in days.

But other officials said that Ms. Reno and the White House might not rush a decision on Mr. Sessions, despite her public comments last week that the issue would be among her top priorities as the bead of the Justice Department, which supervises the bureau.

An event that seemed to solidify the Clinton administration's misgivings about Mr. Sessions was his proposal to fly to Texas earlier this month to coax the leader of the cult, David Koresh, out of his rural compound.

Law-enforcement officials recounted a difficult daylong series of discussions over the plan as an almost surreal moment in an otherwise deadly serious confrontation. They said Mr. Sessions, who went to college and practiced law in Waco in the 1950s and 1960s, wanted to confront Mr. Koresh "Texan to Texan," as one official put it, in a High-Noon-style negotiating showdown,

With an aircraft preparing 10 take him to Texas on March 6, Mr. Sessions was finally dissuaded from his plan after aides said it would disrupt existing negotiations and set a dangerous precese-He

ıyer ıdo,

the.

His decision came after the acting attorney general, Stuart M. Gerson, alerted the White House and intervened to block a proposal that some hureau officials regarded as an ill-conceived attempt by Mr. Sessions to end the siege and salvage his position as the FBI director.

# **Agent Shot by Cult Sues Newspaper**

WACO, Texas - A federal agent wounded in the action. The agent from the Bureau of Alcobol. Tobacco and Firearms, John T. Risenhoover, is claiming damages

for hospital costs and mental anguish. Mr. Risenhoover, 29, was shot twice in the ankle and once in the hip. The agent offered no proof for his assertions in the lawsuit against the newspaper. The Waco Tribune-Herald. Neither he nor his lawyer would identify the

person at the newspaper who they said had called the culr's leader, David Koresh, to tell him about the raid. The editor of The Tribune-Herald. Bob Lott, denied Mr. Risenhoover's accusations. A spokesman for the scanners could have warned cult members.

firearms bureau said the lawsuit was an independent

On the day before the raid. The Tribune-Herald Feb. 28 shoot-out with a religious cult has filed a lawsuit against a local newspaper, asserting that it had alerted members of the group to the impending raid detailed his hold over cult members, his weapons eache and former cult members was a child abuser.

Bureau officials have said they thought someone informed the group about the raid, which probably contributed to the deaths of four agents and the

injuries of 15, including Mr. Risenhoover. But accounts from other law-enforcement officials suggest that in the hours before the assault began, lawenforcement agents were very active in a nearby stag-ing area, and that word of the activity on police

NATIONAL HIGHWAY AUTHORITY MINISTRY OF COMMUNICATION GOVERNMENT OF PAKISTAN

# EXPRESSION OF INTEREST

The Government of Pakistan has embarked upon a motorway construction program that will link the north of the country to the south. The first motorway is scheduled to be completed by 31st December, 1994. In order to meaningfully manage the motorway system, applications are invited for prequalification from organizations capable of operating motorway systems. The areas where their expertise will be required are:

MOTORWAY NETWORK MAINTENANCE AXLE LOADS MONITORING AND CONTROL TYRE INFLATION ADJUSTMENTS MOTORWAY POLICING SYSTEMS

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HOLIDAY INFORMATION The last date of receipt of applications is 15 April, 1993.



**National Highway Authority** Head Office, 27 - Mauve Area, G-9/1, Islamabad, Pakistan.

Adgroup

New York Times Service In a setback to the Polish govern-

form, the parliament in Warsaw defeated a bill Thursday that would have converted 600 state companies into private enterprises at a single stroke.

The vote against the privatiza-tion bill, 203 to 181 with 9 abstentions, seemed to catch Prime Minister Hanna Suchocka by surprise. It revealed a split in the unwieldy coalition of nine parliamentary groupings that she leads and raised questions about the loog-term prospects of her government of

Outside the ornate chamber of the Sejm and appearing shaken, Miss Suchocka called the vote "a serious signal that there's a possibility of abandoning the road of

But she added: "I do not regard it as a defeat but as a retreat." Neighboring countries such as Hungary and the Czech Republic had undertaken similar programs, she pointed out, and Poland was the only one where a decision to turn away from privatization was

After three years of delays, confusion and wrangling, the bill was gross national product rose by as tons and so casting negative votes.

—JOHN DARNTON

ment's program of economic re- economy. It amounted to o wholesale transfer of companies into private hands under a complicated

> ment funds to oversee the compasomewhat like mutual funds. They would be run initially by Western experts, who would be paid fees in cash depending on the performance of the companies under their jurisdiction. As a means of keeping the equity in Polish hands. shares in the funds would be offered at a low cost to all 27 million adult citizens in Poland.

Eventually, when the program was in full gear and secondary markets created, Poles could own three different kinds of shares — in all the trusts combined, in a single trust or directly in the companies

Recently, the Polish economy the success story of Eastern Eu-

regarded by experts as crucial in much as 2 percent, despite a Poland's drive to adopt a market drought that devastated agricul-

The government was shaken by the fact that 11 deputies who belong to the coalition turned against managers and directors for at least it. Almost all of them came from the Christian Nationals, a party The idea was to create 20 invest- that is one of the major pillars of the coalition along with the Demonies and hold controlling shares in cratic Union, which contains many them. The funds would operate figures from the Solidarity move-

> discussion of 36 amendments, ineluding one, inserted at the insistence of the Christian Nationals, that would have also given shares io the trusts to all Polish children. One diplomat, noting that Miss

Suehocka did not mobilize her forces the way she did last month to pass an austerity budget that was regarded as a significant achievement, said the vote Thursday was "the government's most serious de-feat to date." He noted that legislators travel-

ing abroad had oot been called back for the vote and he said that in was improving and the country was cited in oumerous publications as the confusion in the chamber he saw two supporters of the bill inadsaw two supporters of the bill inadvertently pressing the wrong but-



Deputy Prime Minister Henryk Goryszewski, top right, reprimanding his party colleagues Thursday for voting against the privatization bill. The measure would have denationalized 600 companies.

# POLAND: After Years of Post-Freedom Turmoil, a Sense of Stability Emerges in a Newly Capitalist Nation

apartments every two weeks to keep ahead of the secret police and produce the country's underground iffeline, an weekly called Tygodnik Mazowsze that reached 80,000 people. Now she is a top editor at the most influential daily, Gazeta Wy-borcza, which has a staff of 1,300

and a circulation of 800,000. "It couldn't have turned out better," she said of the transition to democracy, which began when Sol-idarity reached a power-sharing arrangement with General Jaruzelski in July 1989. "We took power without firing a shot. No one was hurt." She paused to reflect: "Sometimes I still wonder: How did it all hap-

The other day, four Polish journalists sat around a dinner table dehating whether Mr. Walesa would run again for president in three years. Finally one said: "Do you realize we've oot been talking about the government falling? Or the danger of an economic col-lapse? Or an invasion? We're talking about something that's sup-

posed to happen years from now. How's that for proof of stability?" After four governments in three

with a prime minister. She is Hanna Suchocka, a 46year-old lawyer who projects com-petence, elegance and rectitude in contrast, some might note, to

Miss Suchocka, who has somehow managed to tame a bellowing coalition, is undoubtedly the new star. But discussions of politics still begin and end with the irrepressincomparable, insufferable Mr. Walesa, the former shipyard electrician from Gdansk who founded Solidarity.

He's 49 oow, with seven children, a spreading waistline and a coterie of cronies. He acts the paterfamilias to the country, starting each day with a bowl of milk soup. a kind of peasant's gruel, and attending Mass. He mails completed crossword puzzles to oewspapers and plays a lot of table tennis.

Although Mr. Walesa is still venerated to some degree outside Poland, he has many detractors within, particularly among intellectuals who view him as arrogant and dictatorial. They wince at his mangled years, there really is a sense of sta-bility. In part, it comes from a per-of his dining with the queen of ception that the economy is hum- England and worry that he will be

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every Pole. Still, even some detractors admit that he has been a better president than they expected. In times of crisis, he seems to do the right thing, like stepping in to negotiate the withdrawal of Soviet troops or to

'Sometimes I still wonder: How did it all happen?

Helena Luczywo, former dissident editor

hring down a government intent oo opening old secret-police files. Aboard the presidential jet. Mr. Walesa spoke recently of the need to continue privatization of Polish industry, to keep a vigilant eye on unstable countries across the eastern border and to cooperate with

Miss Suchocka. During the long dark months when he was kept under house ar- pointing out, the great hulking rect-

that he would one day rise to the

pinnacle of political power.

"I have witnesses," he said."I
told my guards, "Gentlemen, one
day you'll be working for me." Walesa looked around, calling "Where is he?" A tall, dark man with a bulge under his jacket raised his hand sheepishly.

"It's true," he said. Gone are the long lines that used to wind from shops up and down every downtown block, and the inconspicuous meat stores open only to party officials. Gooe are the shadowy figures in doorways in the Old Town who whisper to foreign-

ers, "Change money? But there are Mercedes-Benz and Alfa Romeo showrooms, a Dior shop oo Nowy Swiat, a shop eogagingly called Soohissimo. streetcars painted over to advertise smiling M&Ms, a woman in a fur stole speaking ioto a cellular phone, the Sex Pistols,

If a scriptwriter is behind all this, he has a heavy sense of irony. What was once a recreation club for the secret police is oow Scena, Warsaw's bottest discotheque. And as everyone delights in

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ming along. But it is also linked to Mr. Walesa's first successful effort to strike up a working relationship of strike up a working relationship of the party is Central Committee has second, he said. He never doubted to house limit unrest. But many struck it rich the party's Central Committee has between 1987 and 1990, the opening days of the new capitalist era, banks, investment companies and the Warsaw Stock Exchange. "Symbolic revenge," said Wieslaw Rozlucki, president of the ex-

> One thing that seems to have disappeared are the jokes, a staple of everyday life under communism that poked fun at everything from shortages of shoes to shamelessly hypocriocal politicians. That assembly line apparently has broken

New Roman Catholic churches have sprouted up, some of them gigantic structures of brick and mortar bespeaking immense power. Attending church to show dis-dain for the authorities was almost a patriotic duty under communism, but oow attendance is down. So is the oumber of Poles entering the

At the same time, the church is exerting a greater hold on national life. Religious instruction is spreading in state schools, and a new law mandates respect for "Christian values" in the news media.

"The church has become the leading role in Polish life," said Micczyslaw Rakowski, the last prime minister under communism, adding with a wicked grin: "It has replaced us."

Years ago, a wealthy man named Locjan Grabowski lived to Piaczchna, outside Warsaw. He owned two houses, a barn, and three greenhouses, and he sold back. flowers and raised foxes and mink.

ine what he could do under a different system. house oeeds a new coat of paint but something and you just had it," he I won't do it because I don't want said. "Now, you have to keep buyto seem ostentations. I could afford ing it." a brand new Mercedes and pay for

Mr. Grabowski is no longer there; his garage has been convert-ed into a joint venture that imports detergents. But today he would not worry about displaying his wealth. All up and down the dirt road, a

fences with alarm systems.

Some of Poland's oew millionaires were members of the old

ing days of the new capitalist era, when banks gave money for the asking and regulations and taxes

were virtually nonexistent.

Some officials found other ways to reinvent themselves. Jerzy Urban, the journalist who became famous as the cynical spokesman for the Communists during martial law, is rich from a lively weekly newspaper called No that skewers the church and others of the new establishment. He lives in a huge villa with an indoor swimming pool

in Konstantin, a spa town about 32 kilometers (20 miles) from Warsaw. "In the old days, you were happy if you could just get enough gas to fill up your lighter," he observed, passing the caviar. "That's no long-

Poland has always had zloty millionaires. But the new rich are millionaires in any currency, and they do not hesitate to flaunt it. Wealth is considered as alluring as the new quiz shows on television, complete with spinning wheels and hostesses in tight sequined gowns. Pawel Bromski might be called a

communist capitalist. He made a fortune beginning in 1984 when his company, Arpol, was granted the exclusive right to export food addi-tives. He obtained tax waivers and earned how to find "that loophole

that's always there." But on the newly level playing field, Mr. Bromski's company is no longer competitive and he is scaling

He says he is glad communism is Yet, he used to complain and imag- gone, but he admits that the new world is confusing. Taxes, for example -he has to pay them on his "Look at me," he once said. "My summer house. "Before, you owned

The question of how many peoit with cash tomorrow morning. But I drive around in an old heap because I can't afford to he flashy."

ple have fallen to the bottom rung mags at Poland's political conbecause I can't afford to he flashy."

With an average monthly salary now between 2 million and 3 mil-lion zlotys (\$125 to \$190) and inflation running at 40 percent, many Poles are suffering. In new sights that shock the

preserve of the newly rich, houses country, homeless people camp in are sprouting third stories and huge the Katowice railroad station and dozens line up at sorp kitchens. But how many people are doing badly is an issue of endless debate.

"All those years, we dreamed

# Charting Boundary Of South Africa's Nuclear Landscape

By Steve Coll and Paul Taylor

Washington Post Service VIENNA — Early in August 1992, a team of international nuclear inspectors swooped in a helicop-ter above a South African Air Force target range in the Kalahari Desert, searching with satellite-linked instruments for a secret site that Soviet and U.S. Intelligence officials had for years identified as a possible clandestine ouclear

weapons test facility. The search was one element of a large-scale investigation run by the International Atomic Energy Agency since late 1991, in which inspectors are trying to determine whether South Africa's government has told the full truth about the amount of highly enriched uranium it produced during its 15-year clan-

destine nuclear program.

Twenty months after the investigation began, agency inspectors have confirmed — with South Africa's impublicized but extensive cooperation — that Pretoria secretly produced and stockpiled enough highly enriched aranium during the 1970s and '80s for 12 to 24 nuclear

bombs, officials say.

But some tricky questions remain: What happened to the components of any nuclear warheads South Africa produced? Is the inventory of weapons-grade uranium that South Africa submitted to agency inspectors all that it actually has? What should be done with his bomb material now that South Africa is in the midst of major political change? U.S. officials say they strongly suspect that South Africa has not accounted for all the bomb-grade uranium it produced or for the other nuclear weapons components it amassed and that it may still be hiding some ouclear bomb-related items.

In the Kalahari Desert, the inspectors from the atomic energy agency, the Vienna-based nuclear watchdog, were searching for any evidence that South Africa might have hidden additional nuclear material despite its 1991 declaration that it would forswear atomic weapons and open its nuclear installations to international moni-

The team found a concrete capped shaft leading deep into the: earth, according to a Western official. Inspectors dug soil samples for tests designed to detect submicroscopic residue of a full, partial or failed nuclear bomb test. The testslater turned up traces of natural uranium but no residue associated with a nuclear explosion, the West-em official said. The team's conclusion, according to this and other officials, reinforced a long-standing suspicion that South Africa probably built the Kalahari site for a nuclear test but never used it.

The questions about South Africa's nuclear program are politically loaded. The African National Congress, for example, objects to any hasty decision by the white-minority government about the disposal of weapons-grade pranium. But some American and South African

officials have been discussing a pian to sell Pretoria's nuclear stockpile to the United States and remove it from South Africa before Above Suspicion the black majority takes power unthe black majority takes power un-

der a new constitution.

U.S. officials said the government in Pretoria made the pledge that allowed them to profit from to eliminate its nuclear weapons program largely because white rel-ers could foresee an eventual transition to black najority rule, greatly reducing the military need for a

muclear arsenal. The white community has "a very real fear" that the weapons would be misused by the ANC. which is likely to control the gov-ernment eventually, said an official who has studied the South African

program.

The ANC, according to its science policy coordinator, Roger Jardine, wants all decisions about the disposal of the nuclear stockpile to await the coming to power of an ANC-led government of national unity, which is expected within the year. Mr. lardine said any unilateral moves beforehand might allow the white government to "cover its tracks" about the kind of nuclear ing infrastructure had given the

> Yet nervous Western specialists note that during the political transition that accompanied the Soviet breakup, Ukrainian nationalists also said they did not aspire to be a nuclear power. Since gaining power mnclear power. Since gaming power — and control over nuclear assets - they have wavered. U.S. officials say they want to avoid anything similar in South Africa.

For now, the focus of attention is the agency's investigation into whether Pretoria has been fully bonest in decising its nuclear assets. So far, inspectors have found no evidence of deception. Yet they have been unable to

resolve certain discrepancies in Pretoria's nuclear accounting. The amount of manion material fed into two South African enrichment into two South African enrichment plants does not jibe with the public sector, which controls up to plants does not jibe with the public sector, which controls up to plants does not jibe with the public sector, which controls up to amount of bomb-grade material that operators of these plants re-

Africa's nuclear program was seasi cret and unmonitored for so long and was managed with ideosyncratic accounting systems. It is thus impossible to prove with certainty that every hit of weapons-grade material produced by Pretoria over the years is now accounted for, offi-

entropy of the second of the s

cials said. cials said.

Around the investigation, the majority view of this problem is that the discrepancies reflect the inevitable, acceptable limits of historical accounting in a complex field such as nuclear physics, acception to interviews and the agencording to interviews and the agen-cy's public reports oo its investiganon. This view is also based on an assessment that South Africa go; no motive to cling to nuclear well-ons assets as it negotiates to share and eventually yield power to the country's black majority.

The assesses director. Have Blive

country's black majorny.

The agency's director, Hans Blix, told its governing board last month that his staff planned to "verify the physical inventory" of nuclear material at all installations in South Africa this year and also was trying to improve the efficiency of the verification and accountancy pro-

A dissenting view about the seriourness of the accounting problem prevalent mainly among a group of U.S. officials, stems from Pretoria's withholding some information, about the historical management of its clandestine nuclear program. The South Africans say such information is not relevant to the agency's task of securing the country's present inventory.

The agency has turned up extensive evidence of a past weapons program, officials said, but accepts that it is not meant to report on the full history of the nuclear program. South Africa began serious work on nuclear weapons in the 1970s. when it feared being overwhelmed by Soviet-backed conventional forces in any conflict with such neighboring states as Angola or Mozambique, U.S. officials said. N.

One of the impering mysteries involves an incident in 1979, in which a U.S. satellite detected what specialists call a "double flash" in the Indian Ocean off South Africa - an event similar to what occurs during a nuclear explosion. There was speculation that South Africa had either tested a nuclear bomb or aided Israel in a nuclear test.

The flash occurred about 1,500 miles (2,400 kilometers) southeast of the South African mainland, in the vicinity of the Prince Edward Islands. The CIA concluded in a classified report two months afterward that it had been caused by a. nuclear explosion with a force equivalent to roughly 3,000 tons of TNT. But the report, which was declassified several years ago, also said: "On the basis of available information, we cannot determine with certainty the nature and origin of the event."

R. Jeffrey Smith of The Washington Post contributed to this article.

# ITALY:

vast cost overruns and, in some cases, the public works they had contracted to undertake were never done at all.

In the latest blow to Italy's politicians, Parliament voted Thursday to strip former Health Minister Francesco de Lorenzo of his parliamentary immunity so that he could stand trial for ballot-rigging.

That followed developments Wednesday when the current fi-nance minister, Franco Reviglio, sought to stave off implication in the "mani pulite" ("clean hands") suvestigation by denying that he had set up a slush fund for illicit political donations during a stint as the head of itnly's state energy gi-ant, Ente Nazionale Idrocarburi, known as ENL

the white government to "cover its tracks" about the kind of nuclear program it had developed. He said the ANC was committed to full disclosure of the history of South Africa's nuclear program, to the "letter and spirit" of the Nuclear Nonproliferation Treaty and to the proposition that the comment of Africa should be unclear-weapons free.

Yet nervous Western specialists

ENI's current chairman, Gabriele Caghari, was arrested last week and accused of running a slush fund built on the company's vast foreign-exchange dealings. Since Italy pays for all its oil imports in dollars, ENI has always been a principle consumer of Italy's foreign exchange and, accorded ing to investigators, was able to "running a slush fund built on the company's vast foreign-exchange dealings. Since Italy pays for all its oil imports in dollars, ENI has always been a principle consumer of Italy pays for all its oil imports in dollars, ENI has always been a principle consumer of Italy pays for all its oil imports in collars, ENI has always been a principle consumer of Italy pays for all its oil imports in dollars, ENI has always been a principle consumer of Italy pays for all its oil imports in dollars, ENI has always been a principle consumer of Italy pays for all its oil imports in dollars, ENI has always been a principle consumer of Italy pays for all its oil imports in dollars, ENI has always been a principle consumer of Italy pays for all its oil imports in dollars, ENI has always been a principle consumer of Italy pays for all its oil imports in dollars, ENI has always been a principle consumer of Italy pays for all its oil imports in dollars, ENI has always been a principle consumer of Italy pays for all its oil imports in dollars, ENI has always been a principle consumer. ENT's current chairman, Gato generate funds, paid into foreign bank accounts, to political parties.

Some Italian economists have said the state energy concern traditionally viewed as a strong-hold of the Socialist Party, which placed political appointees in high places—paid bundreds of millions of dollars to political parties.

The former Socialist leader Bet-tino Craxi, forced to resign because of the scandal, is accused by Milan magistrates of taking \$12 million from FNI for his particular from ENI for his party.

Thursday's indictments concerning the failed EFIM group, which collapsed last year with debts of some \$10 billion, seemed to show the scandal spreading further into Italy's debt-ridden and inefficient

that operators of these plants reported producing.

Most officials close to the invessional discount of the second tigation regard the discrepancies as former prime minister, the newest relatively minor. Although the indictments also seem likely to exatomic agency expects to receive additional nuclear records from South Africa, the inventory questions may never be fully resolved.

The main reason is that South

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# Communist establishment who any oumber of scenarios," said Agused their connections to get import licenses in the mid-1980s, when the government decided to slake the thirst of consumers to

U.S. Expects Rise

By Douglas Jehl New York Times Service

WASHINGTON - Iranianbacked militant groups have expanded their bases of support well beyond the Middle East and represent the greatest threat in a likely escalation of terrorism around the world, senior United States officials say.
The officials said the assassina-

The officials said the assassination on Tuesday in Rome of an Iranian opposition figure was merely the most visible step in a pattern in which terrorist organizations believe the desired by the Iranian opposition for the probability of the Iranian opposition believe the Iranian opposition believe the Iranian opposition believe the Iranian opposition believe the Iranian opposition to the Iranian opposition believe the Iranian opposition to the Iranian opposition figure was made to the Iranian opposition of Iranian opposition figure was made to the Iranian opposition of Iranian opposition figure was made to the Iranian opposition of Iranian opposition opposition of Iranian opposition of Iranian opposition of Iranian opposition of Iranian opposition opp tions backed by the Iranian government appear to be adopting a more

has widened its operations to North Africa and South America, and has established at least one cell in Canada, the officials said. They said the cell was intended to be used to give planning and logistic support to terrorist attacks, perhaps in North America.

speaking with reporters, cautioned that the United States had established no connection between the Iranian organizations and the Feb. 26 bombing of the World Trade Center in New York. They said they had "no reason at this point to see that as being tied to any known group or any state sponsor.

aggressive posture.
The Iranian-backed Hezbollah

Two senior government analysts, As an early indication, they pointed to the series of bombings,

Without being specific, however, they indicated that U.S. scrutiny of terrorist activities abroad to recent mooths had uncovered several pos- terrorism."

In Iran Terrorism sible leads in connection with the New York bombing. The officials, who insisted on an-onymity, said Hezbollah's expand-

> Iranian-backed organization the capacity to carry out attacks in parts of the world in which it had oot previously operated.
>
> This is a development of some

lem of terrorism would escalate. The warning follows a sharp decline last year in acts of international terrorism around the world, from more than 500 in 1991 to 361 last year, including 111 interna-tional terrorist acts directed against United States citizens and facili-ties, the analysts said. But they said iran's more aggressive stance and expanding ethnic conflicts in Yogoslavia and elsewhere were now likely to propel a resurgence.

airplane hijackings and other terrorist attacks seen in recent weeks in India, Egypt, Colombia, and other countries. The officials' descriptions of expanding Iranian-backed terrorist operations followed a strong State

Department condemnation earlier this month of Iran as the world's "most dangerous state spousor of



# China Threatens U.K. Trade in Hong Kong Feud

Compiled by Our Staff From Disputches BELIING - China said Thursday that Britain's economic relations with China would suffer if it went ahead with proposals for democracy in Hong Kong.

Trade Minister Li Langing, speaking at a news conference in the Great Hall of the People, said that if the British government proceeded, then "this will inevitably affect the economic and trade relations between China and Britain."

He refused to elaborate on whether this meant that China would reject British companies' bids on projects or cut imports from Britain. But his statement was a clear warning that British business interests could be

quickly cut out of one of the world's fastestgrowing economies if London did not back

The threat was only the latest from China since Governor Chris Patten formally published his democracy bill last week In London, Prime Minister John Major defended Mr. Patten and his proposals.

"The government stands foursquare behind the governor and behind the govern-ment of Hong Kong," Mr. Major told Parlia-

"The governor has acted sensitively, resolutely and correctly, and we shall continue to make that clear to the Chinese government,"

conditions, but no one should doubt that the governor has our total support," be said.

Also Thursday, China's top representative in Hong Kong, Zhou Nan, suggested that China would increase contact with pro-Beijing groups in Hong Kong, bypassing the British colonial government in preparations for the 1997 transfer of power from Britain

Britain and China are not close trading partners. Two-way trade from January to September 1992 totaled \$1.5 billion. In the same period, total trade between China and

the United states was \$23.6 billion. China has kept up a daily barrage of

"We remain ready for talks without pre- criticism since Mr. Patten said Friday that he would seek legislative approval in Hong Kong for his plan to broaden democracy.

The proposals would increase voter participation in electing the legislature, which China fears would set a dangerous example for

the rest of the country.

Mr. Zhou is the head of the official Xinhua press agency's Hong Kong office, which acts as China's representative in the territory. He spoke in Beijing to members of the National

People's Congress.

He accused Britain of seeking to turn
Hong Kong into "a semi-independent political entity with a view to continuing, in another guise. Britain's colonial rule there after

# CAMBODIA: Under UN Patronage, Elections May Be Near but Peace Is Out of Reach

(Continued from page 1) assembly. These actions in effect nullify the

The Khmer Rouge's rejection has been followed by a change in attitude by the other principal party, Prime Minister Hun Sen's government, which Vietnam installed after overthrowing the Khmer Rouge government of Pol Pot in 1979.

After cooperating with the United Nations when the mission began in November 1991, the government has maintained its armed forces and has become increasingly critical of the UN organization, which is known by its acronym UNTAC. And in recent months the government has been accused of instigating attacks on the two non-Communist parties that signed the accord. More than 25 people have died in these

Adding to the climate of violence have been attacks on the Vietnamese minority, for which the Khmer Rouge have been held

Mr. Akashi argues that the United Nations "is here to begin the process, to make the process irreversible if we can, but not to complete that process."

But this represents a considerable scaling back: The peace agreement speaks of achieving goals, not beginning to achieve them. Mr. Akashi, most of his senior associates

and diplomats from the major powers point to the election preparations as the principal accomplishment of the mission. Nearly 5 million Cambodians in a population of more

than 9 million have registered.
But a senior associate of Mr. Akashi said the focus on elections amounted to concenrating on means, not ends. The elections, he said, were intended to ratify peace and national reconciliation — goals that seem ont of reach before the United Nations ends its

mission three months after the voting. "The elections will be artificial," an ambassador from a Communist country in Asia said. "The Khmer Rouge are irreconcilable, so their substance will be zero."

While Mr. Akashi and diplomats from the major powers stress positive achievements. adors of smaller countries say bluntly that the accord has failed.

An envoy of a formerly Communist nation said the major powers had imposed the ac-cord, each on the Cambodian faction closest to it. The agreement was brokered by the Soviet Union, which backed the Vietnameseinstalled government; the United States, which backed the non-Communist forces of Prince Norodom Sthanouk and Son Sann, and China, which aided the Khmer Rouge.

The results prove that reconciliation among the big powers is much greater than among Cambodians," the envoy said.

In his view and that of many others, what was intended as reconciliation has turned into an effort by the government to maintain its bold over about 90 percent of the territory and more than 90 percent of the population, and a struggle by two losers to regain the control that was once theirs.

These two groups are the Khmer Rouge, who ruled from 1975 until 1979 and presided over the deaths of perhaps a million Cambo-dians, and Prince Sihanouk, chief of state from independence in 1953 until his overthrow in 1970 by Lon Nol, a client of Wash-

The framers of the peace agreement brought in the prince as head of the nominally ruling Supreme National Council, think-ing his popularity among the people would give him the authority to reconcile the two

munist forces. Instead, Prince Sihanouk frequently denounces the United Nations and periodically announces his refusal to take any further part. To underscore his detachment, he spends much time far from Cambodia, mainin China - where he is now - and North Korea. This offends many ordinary Cambodians, who would prefer that he paid court to non-Communist powers that could provide aid and investment.

In private, senior UN officials and diplomais accuse the 70-year-old prince of self-

a former king. Despite his unpredictability and declining health. Prince Sihanouk is the only person who can play a unifying role, these officials say.

Much discussion here centers on whether the United Nations could have been more effective, or whether, in particular, the commander of the 15,000 UN troops, Lieutenant General John Sanderson of Australia, interpreted his mandate too narrowly.

"On one side there is the absurdly enormous United Nations presence," a European ambassador said. "On the other, the little Cambodians. And yet the tail wags the dog. They all try to burner the Cambodians, so UNTAC can leave without having lost face."

Little bas been done to rebuild the country, only about \$100 million of \$880 million in rehabilitation aid pledged in June at a conference in Tokyo has been disbursed. The government has profited from the sale of timber and real estate, the Khmer Rouge have done a thriving business in timber and gems and the two main non-Communist factions have also made money from logging. but the lives of most people have not im-

A Cambodian doctor offered this view: "With these enormous possibilities, with that budget, one would have to say the result is

# Seoul Opts to Assuage North It Won't Ask GIs to Stay After War Games

Compiled by Our Staff From Dispatches

SEOUL — Seeking to defuse tensions with North Korea, the South Korean government said Thursday that it had decided against asking U.S. troops to remain in the country after joint mancu-

A Defense Ministry official said U.S. troops posted to the annual "Team Spirit" Washington-Seoul drills, which ended Thursday, would go home as planned, as there were no signs of unusual

military activity in the North. "We will not ask the United States to keep behind reinforcements, although it was given some

thought at first," the official said by telephone. In Vienna on Thursday, the International Atomic Energy Agency gave North Korea until March 31 to yield to international demands to allow inspectors to check two military sites believed to be

nuclear waste plants. The date extends a March 25 deadline given by the UN agency last month, a spokesman said. "For practical reasons the first day on which we

can have a formal meeting is the 31st," said the spokesman, David Kyd.

North Korea, suspected in the West of having enough material to build at least one bomb, pulled out of the Nuclear Nonproliferation Treaty last week, setting off alarm.

Diplomats, in particular from the guardian states of the treaty - the United States, Britain and Russia - bave sought to reduce tensions in meetings with North Korean officials.

South Korea's intelligence chief, Kim Deok,

said there were no signs of "unusual military movements" in North Korea despite an air-raid

drill in Pyongyang on Thursday. Virtually the entire population of the city was

ordered into underground shelters, a Western analyst with extensive contacts there said in Beijing. Sirens blared all over the city during the hourlong midday drill, but analysts said this was not unusual during the annual U.S.-South Korean ex-

The atomic agency's director-general, Hans Blix, was to meet the agency's board of governors later Thursday in an emergency session to discuss Pyongyang's refusal to let observers check the sites at Youghyon, 100 kilometers (60 miles) north of the capital.

The board, which has 35 members, including the United States and China, is unlikely to refer the

dispute to the United Nations Security Council. The Vienna-based atomic agency has no powers to force countries to let inspectors check nuclear sites, but as a last resort it can call for action from the Security Council, which can impose punitive

economic sanctions. In a press conference in Seoul, Foreign Minister Han Sung Joo referred to the current controversy

as a "quasi-crisis." "It's not as if there are ships carrying missiles to Cuba or as if 200,000 North Korean soldiers are coming across the 38th parallel," he said. "I don't think North Korea is lonking at any kind of

military confrontation at this point." (AP, Reuters, WP)

## British Correspondent Is Charged in Algeria

spondent in Algeria, John Bagga-explain the report. Reuters bad is-ley, was charged Thursday with sued an article on Tuesday reporteading false information followng an incorrect report about a po-

tical assassination. Mr. Baggaley, 54, a Briton who

ALGIERS - A Remers corre- cations Ministry on Wednesday to ing the gendarmerie as saying the sports minister bad been killed in Algiers in a wave of violence blamed on Muslim fundamentalhas been based in Algiers since ists. Mr. Baggaley based the report May 1991, was detained by genon a telephone call to the gendar-

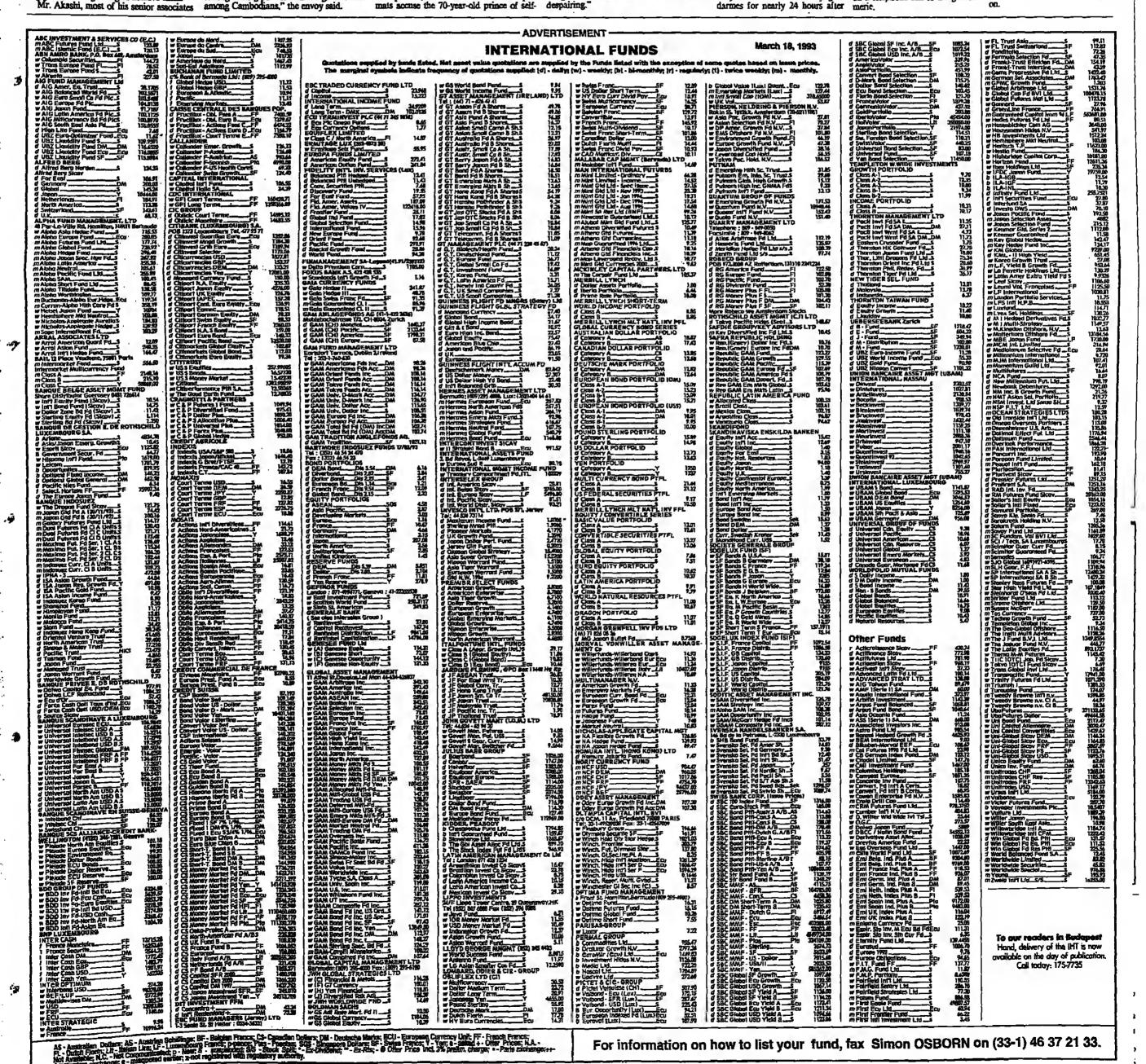
denied that the sports minister had been killed and the gendarmerie, in a statement carried by the official news agency APS, denied giving information to Reuters. Mr. Baggaley was freed provisionally to appear in court on Saturday, Possible, penalties range from fines to pris-

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ers nationwide, and emboldened those

find a common constitutional way. The Clinton administration is shuffling nervously. Aware of the importance of securing Russia and the other former Soviet republics in a web of Western values and institutions, it supports Mr. Yeltsin as an

of parhament as a check on executive power.

The two of them need still to be pressed to

agent of reform and democracy. This is the basis for the bold and right new U.S. push for aid. But Washington does not want to license him for an authoritarian turn. The tension is unavoidable but manageable. Russia is on a long march. At any given moment the Kremlin leader, whoever he is, may appear at once risky to embrace

and risky to replace. But meanwhile, a convulsive transforma-tion proceeds in the society and country at large. Sometimes it is stirred and sometimes retarded by events in Moscow, but more often and increasingly it generates its own momentum. We like a comment in the Wall Street Journal: Things are going badly in Russia, but they're going. That is, unless the frail and ragged process of struggling for

democracy is broken off. - THE WASHINGTON POST.

## Cuts We Wouldn't Feel

Herald Cribune.

**High-Wire Moscow Circus** 

Kremlin politics used to be hard to deci-ner because it was secret. Now it is open and even harder to decipher. Everything in Khasbulatov has adopted the essential idea

Judging by his budget presentation, R. James Woolsey Jr., President Bill Clinton's chief spymaster, seems well on his way to becoming a captive of the old-boy bookkeepers in the intelligence agencies. Mr. Clinton, who needs to save every dollar he can, would be a sucker to let that happen.

pher because it was secret. Now it is open

and even harder to decipher. Everything in

the system - procedure, institutions and

policy - is up for grabs. There are no

fixed rules, no organized parties, no man-

ners, no consensual political culture, no

inhibitions on abuse. Bleary outsiders

might prefer to wait for tomorrow in the

hope that things will settle down. Russians

Up to this point, though, there has been a

saving grace 10 Russian politics since the

aborted August 1991 coup that saw out the

Soviet Union and the Communist Party.

The use or threat of violence, whether by

army and police or conspiratorial party or

in the street, has been out of bounds. It is

quite stunning, when you think about Russian history and the current turmoil. It is

what is so troubling about Boris Yeltsin's

hints to break open his power struggle with

the Russian parliament by invoking force.

President Yeltsin, the lone democratically

elected official, is acclaimed as a democrat

looking to the West and in better days oo

doubt would be showing it more. He makes a

powerful case that the parliament, elected

under communism, is blocking reform. Cer-tainly his ally-turned-antagonist, the parlia-mentary speaker Ruslan Khasbulatov, has

have no such luxury.

The immediate issue is the annual intelligence budget of \$29 billion, The larger issue is whether the United States needs an intelligence apparatus of Cold War dimensions. Mr. Woolsey told the House Intelligence Committee that he could absorb a \$1 billion cut in next year's budget but not much more;

while campaigning, Mr. Clinton pledged to find \$7.5 billion in cuts over five years. 'Precipitous" cuts, Mr. Woolsey warned, will cripple us in the long run." It's understandable that a new president might waver when faced with the mysteries, political connections and massed inertia of the national security mandarins. But it defies common sense, with no Soviet threat in prospect, to believe that the intelligence agencies cannot make do with less than \$28 billion.

Intelligence costs reached a peak of nearly \$31 hillion in 1990. They have dropped only \$1.9 billion since then, even though fully half the \$31 billion was aimed at a menace that has largely evaporated. The Congressional Budget Office sug-

gests cuts yielding five-year savings of \$18.8 billion. Cutting back on satellite reconnaissance might save \$3 billion more.

In the old days, tracking the Soviet threat was a full-time occupation involving an army of spies and analysts who kept their eyes on Latin American leftists, Soviet submarines, Moscow cocktail parties, diplomatic communiques, missile movements and military maneuvers. It may make sense to continue some, but surely not at the same pace. Some places to cut:

Unnecessary satellites. The National Security Agency spends \$4 hillion a year on "big-eared" satellites that monitor everything from telephone conversations to missile telemetry. It overhears more than can be transcribed and translated.

Similarly, the National Reconnaissance Office spends roughly \$6 billion a year on eye-in-the-sky satellite monitoring, at \$1 billion a satellite. Soviet coverage can be reduced. Coverage of other targets, like would-be nuclear proliferators, can be carried out with fewer satellites.

Tactical intelligence. The biggest chunk of the budget, about \$11 billion, is spent on tactical intelligence, tracking military move-ments up to the minute. The Defense Intelligence Agency, each of the four armed services and each of 10 military commands has its own tactical intelligence staff. Redundancy provides some useful alternative assessments - and lots of wasteful duplication.

Spies and analysts. Nobody knows how many spies and analysts there are, but savings are possible here, too. The CIA has cut its staff of Soviet military analysts to 9 from 125. But it has simply shifted the work to the armed services, which are resisting staff cuts beyond normal attrition. Since the Soviet menace was global, the rest of the world was pretty well covered to begin with.

Furthermore, much of what passes for "intelligence" comes from newspapers, broadcasts and conversations. Such information is inexpensively gathered; the diplomatic corps does it every day,

Spies' value should not be overestimated. They cost more than diplomats and, despite the occasional intelligence bonanza, they serve up lots of disinformation, too. What the president and Mr. Woolsey

face is a deeply entrenched culture that feeds off what it can identify as a menace. They should not let themselves be spooked. Beneath the veil of secrecy is a bloated budget that can be safely cut.

- THE NEW YORK TIMES.

# To Redeem a Promise

For all its importance, the rule the Supreme Court announced 30 years ago this week was simple: "In our adversary system of justice, any person haled into court who is too poor to hire a lawyer cannot be assured a fair trial unless counsel is provided for him."

The principle was widely accepted, even praised in most of the states obliged to pay lawyers for defendants too poor to hire their own. Yet after three decades, the United States is far from delivering oo the promise of the case called Gideon

In courts across the land, judges must beg the private bar to step up and take on criminal cases for which many lawyers are poorly equipped and grossly undercom-pensated. Public-defender systems are soft targets for budget cutters, state and federal. Congress, which must pay for counsel appointed in federal courts, is perennially guilty of late and inadequate funding.

The legal issue was waiting for someone like Clarence Earl Gideon to raise. Imprisoned in Florida for breaking into a Panama City pool hall, be complained that he bad asked for a lawyer but the judge The high court had recognized the im-

portance of legal counsel. But since 1942 it had limited that right in state courts, where most crimes are tried, to deathpenalty cases or those with "special

Finally the Warren Court chose the Gideon case to declare that the right was too basic for case-by-case haggling over special circumstances. The right was so basic that in 1972 the Burger Court, with four justices appointed by President Richard Nixon, applied the rule to any case, even misdemeanors, that involved

The Gideon decision energized defender organizations and criminal justice reformseeking better civil justice for the poor as well. But attempts to institute the rule. which cost money, were soon met hy apa-thy and hostility based on fear of crime.

Later the Reagan and Bush administrations waged war on the federal legal services program. And the court itself, under Chief Justice William Rehnquist, accepted in principle the right to counsel but failed to hold lawyers to high standards of per-formance — especially in capital cases where the right to a lawyer had been honored the longest.

With perverse symmetry, the Rehnquist court overruled decisions that had been handed down on the very same day as Gideon. It excused the ineptitude of defense lawyers and penalized death-row inmates for minor missteps by competent counsel. The net effect was to subject the right proclaimed in Gideon to a game of

chance for the accused. The Clinton administration gives some hope that it might redeem Gideon's promise. Janet Reno, the attorney general, says she wants death sentences carried out but she also wants competent counsel in death cases, something that can be provided for in this year's crime legislation.

The embattled civil justice program has a high-placed friend in Hillary Rodham Clinton, who headed the Legal Services Corp. before the Reagan-Bush assaults.

Gideon's is a checkered history, a continuing struggle between constitutional

ideal and performance.

But hope for better performance rests on more than idealism.

It rests on the unassailable truth that without a lawyer for the defense - a trained advocate whom the accused can trust — trials have no legitimacy.

A government that stages mock trials

mocks the whole notion of just government. Aware citizens will not tolerate such injustice.

- THE NEW YORK TIMES.

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## **OPINION**

# Arms: East Asia's Colossal Shopping Spree

S EOUL — Westerners barely noticed the an-nouncement last month that Indonesia had bought a third of the former East German Navy at a bargain-basement price. Perhaps only stock-holders paid attention as McDonnell Douglas and General Dynamics scrambled to Malaysia recently to hawk discounted fighter aircraft in a losing price war with Russia, which was willing to be paid partly in palm oil. Eyebrows raised only at the

specter of nuclear war in Korea this week.

If the end of the Cold War produced a geostrategic peace and a rush to cut military spending in Europe, it prompted new uncertainty and anxiety in East Asia - and set off a colossal shopping spree for arms. Now that the Soviet Union has collapsed. East Asians are far less sure who will attack them—or who will protect them now that the United States is reducing its presence over-seas. And they are oow rich enough to buy a lot of firepower insurance.

East Asian nations made 35 percent of all major weapons purchases in 1991. Even so, they hag far behind Europe in modern military nunch. But if Europe continues to slash arms spending and Asian trends continue, East Asia will be the world's most heavily armed area by century's end. China has raised defense spending a whopping 50 percent over two years, and just announced a

new 15 percent hike. Japan was the only industrialized country whose arms budget increased last year. Singapore's rose 23 percent in 1991.
Taiwan, Malaysia and Thailand followed suit with double-digit spurts. So did South Korez, By Leslie H. Gelb

where alarm continues over North Korean nukes. To be sure, much of this buildup is routine. East Asian coopornies have been booming and Asians can afford expensive modern arms. Most of the big spenders can legitimately claim the need to modernize ancient equipment.

But these nations are not simply refurbishing Some are becoming major arms makers and exporters, and many more are expanding their capacity to attack as well as defend.

South Korea has good reason to beef up. Dying North Korea, one of the last Communist states and by far the most dangerous, is capable of anything. The nuclear crisis here requires immediate attention. And minor conflicts could explode later.

Like China. Freed from the Soviet threat and less concerned with American power, Beijing might be tempted to flex its new muscles, as it has

might be tempted to flex its new muscles, as it has been doing in the oil-rich Spratty Islands.

At least as alarming is the mounting China-Taiwan face-off. Taiped is shopping for arms like there is no tomorrow. It bought 150 F-16s from the United States and wants about half again as many modern French fighters. It is also buying submarines, anti-sub helicopters and naval vessels. This is Taiwan's way of asserting its independence from the mainland. And that is the one thing that no Chinese leader reformer or unre-

thing that no Chinese leader, reformer or unreconstructed Communist can abide

Japan, by far the most modern military power in the region and with a military budget soon to exceed any West European country's, is unset-tled by all these events. Other countries fear its unease may translate into military aggressiveness. But Tokyo has been a leader in trying to tamp down anxieties.

From Allies

To Rivals,

Count on It

By Christopher Layne

LOS ANGELES — Despite the change in administrations, the foreign policy establishment still sub-

scribes to a strategy aimed at preserv-

ing America's status as the world's

sole superpower.

Such thinking will ultimately endanger U.S. national security.

American internationalists assert

that, with the collapse of the Sovier

Union, the United States is bound to

lead the new world order; a Pax

Americana based on democracy, economic interdependence and col-

They think the United States can indefinitely prevent new powers.

such as Japan and Germany from rising, or old ones, such as Russia.

This ignores the pattern of the emergence of great powers.
From 1660 to 1714, the hegemony of Louis XIVs France set in motion

of Louis Alv's Flance set in motion the rise of England and Hapsburg Austria to great power status. Be-tween 1860 and 1910, Britain's inter-

national dominance was countered by the emergence of the United

any state that could threaten their

independence. To do so, they acquire

the same military, economic and technological capabilities their rival has and form alliances to offset over-

ly strong hegemonic states.
Hegemonic states may love them

selves, but no one else does. Others

inevitably will come to view a U.S.-

dominated world as a Pox Americana.

Still, U.S. policymakers believe they are exempt from this fear because oth-

er states trust American intentions.

While Washington may believe its

aspirations for world order reflect

universal values, they reflect Ameri-

Moreover, other states must be

can preferences that may not com-port with others' interests.

concerned with America's capabili-

hes, oot its intentions, which can

change. Unless they can cope with the United States, they will be vul-nerable to coercion. U.S. officials

and analysts regularly suggest that

the United States can use its super-

power dominance to extract politi-

cal and economic concessions from

Japan, Germany and others. Not

surprisingly, this has already launched Japan and Germany down a path to great power status that will

culminate in the full panoply of great power capabilities, including

auclear weapons.
This frightens U.S. strategic plan-

ners. After all, only a year ago the Pentagon said U.S. alliance policy was aimed at "deterring potential

compensors from even aspiring to a

larger regional or global role."

The Cold War's relative stability

was an aberration resulting Irom bi-

polarity. Now, international politics

are reverting to normal great power rivalry. Cold War allies will be post-

suppress the emergence of great pow-

ers, which can only backfire, the Unit-

ed States should concentrate, as President Bill Clinton is doing, on domestic

economic renewal and a trade policy

that recognizes that national security

U.S. military commitments in Europe and Asia should end. Maintain-

ing them will not stop Germany and

Japan from becoming great powers. By forcing them to finance their scen-

rity, America can compel them to forgo trading-state policies that have enriched them at U.S. expense.

is linked to that renewal.

American strategy will need to be competitive without being openly controlled in the competitive without being openly controlled in the control of the contr

Cold War competitors.

States. Germany and Japan. States that want to survive and do well must guard against an overcon-centration of power in the bands of

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from staging comebacks.

sole superpower.

Japan and its neighbors want the United States to maintain a strong presence in East Asia. And they will be happy to hear the Chinton administration's wise decision to make only small cuts in U.S. forces here in Asia, even as it slashes troops in Europe.

For some time, Japan and the others have also wanted to talk to one another about mutual security, only to be blocked by the United States. The Reagan and Bush administrations could not stand the idea. They clung to the old Pacific security network, based on direct security links between individual Asian nations and Washington, which kept the United States central but did

not weave regional trust.

The Clinton team has already quietly ditched that estrich policy, encouraging the Association of South East Asian Nations, or ASEAN, to talk about common military problems at a May meeting. It will be an informal discussion of who is buying what and why. Asean members will then reach out for similar talks with Russia, Chima, Japan and the United States. That is a good start toward preventing the East Asian shopping spree

# Mideast: So Much for the Sellers' Good Intentions

By Christophe Carle

PARIS - Soon after the Gulf War it became fashionable to argue that new opportunities had opened to control exports of conventional weapons to the Middle East. Iraq had been armed to the teeth by Soviet and Western arms sales - but never again. There ensued a series of proposals to pro-mote stability hy means of "re-straint" and "transparency" in conventional weapons transfers.

Presidents George Bush and Fran-cois Mitterrand each put forward an initiative to that end, Prime Ministers John Major and Brian Mulroney chimed in, as did the Japanese gov-erument, and the United Nations set about working on a global register of arms sales. Russia and China agreed to join France, the United States and Britain in so-called P-5 talks on ex-ports of conventional weapons. Nearly two years hence, the time has come to draw up the dismal balance sheet of these initiatives. The P-5 talks produced nothing

substantial. Advance notice of conventional arms sales among the five proved 100 much to ask for. It was impossible to agree on what consti-

tutes "destabilizing" weapons sales. Arms export contracts over the last two years reasserted an unspoken motto: "What I sell is stabilizing, but what others sell is destabilizing." In the end, the five could do no better than to issue a statement reiterating policy on weapons of mass destruction. In any case, China withdrew from the talks after U.S. and French

sales of fighter aircraft to Taiwan.
"Restraint" fared no better. The biany of U.S. conventional arms sales to the Middle East after the Gulf War is long. But the United States does not deserve undivided blame. Other suppliers, primarily Russia, France and Britain, rushed with equal gluttony to make a meal of the crumbs left behind. On the other hand, the muchvarinted aim of "transparency" in the

arms trade is an outright success. It is also a farce. Exporters flaunt their performances against competitors with unconcealed delight. The big conventional arms deals that truly matter to international security are not the secretive work of fly-by-night

operators. U.S. arms sales probably get the least attention simply because there are so many that they become monotonous. Less successful exporters blow harder into a smaller trum-pet. Much gloating followed Brit-ain's sale of Tornado aircraft to Saudi Arabia, Challenger-2 tanks to Oman, and France's sale of Lecters

tanks to the United Arab Emirates. Russia is quite candid about its need to export arms for hard currency, and even asks for preferential access to some of the more lucrative markets. But its post-Gulf War weapons sales to the Middle East amount to about one-tenth the valne of U.S. deals.

If a fully operative UN global arms trade register existed, it could scarcely do better than to register the fact that the Gulf War has done the arms trade no harm.

With jobs and recovery at stake in the West, and Russia in dire economic straits, sales will continue until markets are saturated. This will happen in the Middle East before it does in Asia. But in the end, the export benanza

will only be a reprieve for arms indus-tries now heading for a post-Cold War crash diet — unless one of today's favorite clients turns against the hands that furbished it with weaponry, becomes a new "rogue state," and

starts the cycle anew. Grand schemes for regulating the arms trade raise unrealistic expectations. Better to make it clear that the P-5, and other countries, need arms industries. These industries, in turn, need to get healthier and leaner, and they will require export markets to remain viable.

Conventional weapons transfers will continue to involve a special combination of salesmanship and statesmanship. But since the Gulf War, salesmanship has had the up-per hand in the Middle East. The time has come to weigh carefully the genuine military utility of further sales, and to take a hard look at the political stability of the regimes of najor recipient countries.

The writer is a research fellow at the Institut Français des Relations Internationales. He contributed this comment to the International Herold Tribune.

## In Tirana, Tension Grows

By Flora Lewis

TRANA, Albania - Quietly but relentlessly, the "cleansing" of ethnic Albanians, mostly Muslims, has already begun in the Serbian province of Kosovo. So far, it has been done by rigid discrimination, banning from government jobs, and fierce police rule. This spurs emigration.

But on both sides of the border. people are waiting tensely for the violence to break out. They do not doubt that it would exceed Bosnia in horror. Ethnic Albanians compose 90 percent of the population in Kosovo, which Serbs consider their historic beartland.

The Serbian leader, Slobodan Milosevic, won his popularity and prominence by annulling the province's autonomous status and promising to keep it fully Serb. Conflict could crupt at any time, probably when the heavily armed Serbian forces decide they are ready for it. possibly if the extraordinary self-restraint of the fuming Kosovo Albanians breaks down over some incident. They have no military force.

Albania's young, energetic presi-dent, Sali Berisha, says he thinks a Serbian invasion of oeighboring

Round of global trade talks must

become a high priority — as political

necessity, as a matter of security policy, as a sign of determination to

manage the world economy cooper-

atively and as a declaration of intent to continue more than 40 years of successful multilateral trade policy.

None of the world's three major

trading areas would benefit from a

stalemate that at any rate would

probably soon lead to a deteriora-tion of the status quo ante.

slump is not the best time to negoti-

ate a trade round. But that does not diminish the real benefits of deepen-

ing and widening the open, multilat-

eral trading system. The 1930s

showed us what can happen when

nations look inward during difficult

times. Rather than risk another depression, we should continue to lib-

eralize the system and reap the bene-

fits in the form of more trade, more

growth and higher employment.
The key to successfully resuming

the Uruguay Round is in the hands

of the Clinton administration.

While there are signs that it is com-

mitted to the goal of completing the

talks, held under the General

Agreement on Tariffs and Trade.

the world is receiving mixed signals.

There have been helpful words,

particularly from President Bill Clin-

ton, but there are also protectionist

clouds on the horizon. There is con-

cern in Europe that U.S. policy may

be evolving from free to fair to man-aged trade. A benign interpretation is that the doubts simply reflect the usual transition problems.

Granted, a period of economic

Macedonia more likely than a direct attack on his country. But "ethnic cleansing" would send bundreds of thousands of refugees to this impoverished land of 3 million. "We will resist by all means," Mr.

Berisha says. But every evidence is that Albania

has few means. In response to rumors that Albanian troops were mobilizing to attack, the government arranged for a group of journalists to visit the northern border at two main points. Morina Pass and Zogaj. It is mountainous, rocky terrain but Albania has virtually no air defenses and no modern

anti-tank weapons. The main preparations for defense, installed by the long-time Communist dictator Enver Hoxha, are minuscule, reinforced-concrete igloos scattered throughout the country. There are said to be 700,000 of the uscless little bunkers.

Although it has natural resources, this poorly developed country was ravaged by nearly a half-century of Communist rule. The Benisha government has begun an economic reform effort, but it is moving painfully slowly.

Square Away the Trade-Talks Round

such divisions would not present a systemic risk. But with the security

glue crumbling in the post-Cold War

era, ugly nationalism is again rearing its head, and not only in the former

Yugoslavia. The economic variant of

nationalism is protectionism, old-

the hand of those who favor unilat-

eralism, bilateralism, intervention-ism, regionalism and sectorialism,

in the United States and elsewhere.

This means that nationalistic

policies are more likely to prevail

than internationalist policies. We may have reached a turning point. Without a functioning GATT, the

emerging regional trading blocs could become inward-looking. There is no Fortress Europe or Fortress

North America today, but that could

change quickly if we lose the multi-

lateral framework that has served so well. In the 1990s' world economy,

integration is vastly preferable to

fragmentation, cooperation to con-frontation. We must not allow the

end of the Cold War to become the

In trade matters we are all sin-

A speedy conclusion still seems

within reach. Much progress has

been made. Final trade-offs will in-

volve pain, but the problems can be

solved if the political will exists in

acceptable solution seem to be:

The key elements of a mumally

A market access package (tariffs, nontariff barriers) that carries

beginning of the Cold Peace.

ners; there are no saints.

America and Europe.

The mixed trade signals from Washington represent potentially tethal weapons. They strengthen

fashioned or newlangled.

By Horst Schulmann

The writer is president of the central bank of Hesse state in Germany.

F RANKFURT — The speedy Under normal circumstances, such divisions would not present a



There are valuable mines, especially of chromium ore, and there is great potential for tourism. The three-hour trip under a luminous sky down the Drina river from the high dam at Fierze rivals on a smaller scale the trip through China's famed Yangtze gorges for spectacular natural beauty. But there is not much chance of any investment, wise or unwise, so long as security in the region remains so doubtful. All the former Yugoslav states have suffered grievous economic damage from the war, directly or indirectly, even the relatively pros-

perous Slovenia, because of trade disruption and uncertainty. This is beginning to attract new

real weight. All parties will have to chip in to reach this goal.

such areas as shipping, audiovisual

services and telecommunications as

GATT to a multilateral trade orga-

nization. Should a final agreement prove impossible now, we need agreement that negotiations will be

Reopening the draft final act of Dec. 20 is likely to be counterproductive. It would trigger a flood of demands for further change.

It is important to stick with the U.S.-EC farm compromise. It is to be borned that the Fernel to the control of t

be hoped that the French veto threat will be removed after the

upcoming legislative elections.
We must also remove other irrita-

tions that have arisen in trans-At-

lantic relations since the end of last

year, and eliminate the risk of a tit-

for-tat trade war, particularly the disputes over steel, aircraft subsi-dies and government procurement.

the two largest economic entities in the world. In the long run, GATT

may not be the best vehicle to foster

their common interests in the trade

field. The time may come to renew

an old idea, a North Atlantic free-

trade area. A pivotal advantage

would be that the major parties

could create an institution that suits

their interests and is not dependent

Some say the future of the world is in Asia. I believe that trans-At-

lantic cooperation is essential to international development and well-being. Against that backdrop,

a North Atlantic free-trade area

International Herald Tribune.

might make a lot of sense.

on those of some 100 other nations.

Europe and North America are

oncluded by year's end.

· Support for the upgrading of

much as possible.

· Commitments to liberalize

interest in a regional solution, perhaps the only lure that could bring the bitter enemies to stop fighting

and look for real peace.
Surprisingly, Montenegro's president, Mount Bulatovic, called for a reintegration of the territories of ex-Yugoslavia on a new basis" during a trip to Paris this week. Montenegro is the junior partner of Scrbia in what remains of the Yugoslav federation and has strongly supported Mr. Milo-sevic. Without explanation, he said only that "an integral solution of the Yugoslav problem" and not piecemeal accords could end the troubles.

The old state cannot be put back together again, but this suggests that there is a better chance for a wider network of Balkan accords than ever before, offering a way out of the Bos-nian conflict and, with outside guarantecs, assurance against its spread. Bulgaria and Macedonia, Turkey and Albania, have recently signed or discussed agreements, a network that should be expanded to include all

states in the region.

When Albania broke with Moscow over de-Stalinization in the 1950s and shut down the submarine base it had granted the Soviets, Nikita Khrushahed the Soviets, Matta Famur-shahev shrugged it off, saying, "All Albania has of use to us is pepper." Then Albania broke with China over post-Mao reform and shut itself in. It wants out into the world now, but it is willy-nilly part of the threat of a general Balkan explosion. It must be part of a general Balkan solution if there is to be peace in Europe. O Flora Lewis.

America's relative power can be adirectly enhanced if the new great powers are contained by rivalries with regional neighbors that will arise without outside provocation.

The United States cannot achieve the absolute security that advocates of unipolarity seek.

Unless policymakers and analysts face the facts of life, America will be

unable to adjust to, and do well in.

the emerging multipolar world. The writer teaches international politics at the University of California at Los Angeles; this was adapted by The New York Times from an article in the journal International Security.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts:

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Home, Irish Sons!

NEW YORK - In celebration of St. NEW YORK — In celebration of St. Patrick's Day a banquet was given last night [March 17] by the society known as the Friendly Sons of St. Patrick, Mr. Joseph Choate addressed those present: "There is a cure for Ireland's woes and feebleness. I propose that all of you, with your private ware shill. all of you, with your wives, your children and your children's children. with the spoil you have taken from America in your hand, set your faces homeward, that you land there and strike the blow." The speech was greeted with applause but also with some suppressed hissing."

1918: Roumania Warned

JASSY — Field Marshal von Mack-ensen has refused to admit that peace negotiations be delayed on account of the Ministerial crisis. He has informed the Roumanian plenipoten-traries that if the clauses contained in the peace preliminaries are not accepted by March 19 the Central Em-

pires will increase their demands. Moreover, Mackensen claims the right to intervene in the business of forming the new Roumanian cabinet. 1943: Gafsa Is Retaken GAFSA - [From our New York

edition:] American infantry supported by American planes and artillery recaptured Gafsa today [March 17] as the Axis garrison withdrew without resistance. Galsa had been in Axis hands since Feb. 14, when American forces were compelled to abandon the town by German Field Marshal Erwin Rommel's offensive in central Tunisia. Crack American troops waited outside the town until Mitchell medium bombers pounded the area with evaluations and areallery. the area with explosives and artiflery laid down a light berrage. The sound of the first bomb dropped was a signal not only for the Americans to advance but for the Axis garrison to retreat. The enemy left without firing a shot, which must be something new in a rear-guard section.

# **OPINION**

# Islamic Extremists Exploit West's Havens and Forums

By William Safire

WASHINGTON — Islam, one of the world's great religions, is un-der attack from within. The nations with the firmest tradition for the protection of religious liberty and a free press — Britain and America — have become the bases for extremists seeking to turn fslam into an aggressive political movement.

In Washington this week Prime Min-ister Yitzhak Rabin told President Bill Clioton that fundamentalists incited by Iran were infiltrating Muslim institutions in the West.

The Israeli told journalists that "the intelligence community here is showing a growing awareness of the threat." Unfortunately, when Jews talk to hristians about a problem among

A convention in Oklahoma City attended by many lawabiding, orthodox Muslims also included lectures by a Hesbollah sheikh with a message of incitement.

Muslims, a natural reaction in the Islamic world is to close ranks and to protest religious prejudice. A wiser reaction would be to face up to their religion's subversion by radicals.

Io Europe this week, intelligence of-ficials told me that French and German internal security agents - using "light harassment" and incessant wiretaps had driven the fundamentalist leadership first to London and more recently to two areas in the United States: New York-New Jersey and Texas-Arizona. The radical leaders cannot operate in

most of the Arab world. Syria's deal with its non-Arab ally Iran to keep fundamentalists out is underscored by President Hafez Assad's readiness to massacre trouble-makers. Egypt, its leaders often assassioated by the movement, has begun sending police into suspect mosques

with guns blazing.
That's why the newspaper of the Egyptian jihad is now published in New Jersey and mailed to the Middle. East; why Jordanian and Algerian members of the Islamic Front operate out of New York; why videotaped ser-mons by a Lebanese radical are distributed out of Dallas,

European spooks marvel at the way the FBI is hamstrung by the simple code of the radicals. Instead of issuing a farwa, or death warrant, which would

be prosecutable, a sheikh simply de-clares a targeted Muslim opponent murtid — "apostate" — which falls within the bounds of religious comment in America but is understood by hit men to be a death sentence.

The U.S. network of extremist mosques escapes detection by using Edgar Allan Poe's theory of the purioned letter—that is, by operating in the open. A convention in Oklahoma City attended by many law-abiding orthodox Muslims also included lectures hy a Hezbollah sheikh whose message was more inciting than insightful.

Who are the warriors of the movement? "An Afghani is oot an Afghan," says a longtime radical-watcher. The Alghanis are the legion of lighters of many races and nations recruited and trained by Pakistan and America to belp defeat Soviet invaders in the 1980s. From camps in the Peshawar region on the Pakistani-Afghan border, these hardened soldiers now are given these hardened soldiers now are given Sudanese passports by Iranian agents and transported through Sudan to

Egypt and Algeria and Lehanon.
Until Desert Storm, money extorted from Saudi royal family members was the main financial support of the movement. Saudis could claim that contributions to the legitimate social activities of the more radical mosques were a counterweight to their irreligious behavior.

Iran has since supplemented the estimated \$200 million annual budget, but unlike the frightened Saudis, radical Iranians want terrorist results shown

before they put up money. Since the terrorist display at New York's World Trade Center, the FBI is playing catch-up, even utilizing CIA connections in meeting what is belated-ly seen as a domestic threat.

How will American contain religioterrorism? Its own way, with proactive police work, court-warranted surveil-lance and relentless prosecution not by shooting up mosques, abusing the accused or limiting the freedom of American citizens to worship and ex-

press themselves.

Non-Muslims can help by recognizing the great trial that millions of their fellow Americans are going through, and by not thoughtlessly lumping together the orthodox, the secular and

the extremist.

And Muslims can belp by refusing to be intimidated by their violent minority, which is now an act of considerable personal courage, and by recogniz-ing that the law's worldwide counterattack against fanaticism can only strengthen Islam.

The New York Times.



#### LETTERS TO THE EDITOR

#### Point of No Return

It is time to realize that the various ethnic groups in Bosnia cannot be forced to live together in peace. The amount of hatred accumulated over the years and intensified during the hostil-ities is enormous. Thousands of international peacekeepers would be needed to protect the lives of citizens in a Bosnian derated state of the kind proposed by

David Owen and Cyrus Vance. The only solution which could stop the bloodshed would be the partition of Bosnia-Herzegovina, the transfer of parts of its territory to the oeighboring states, and corresponding shifts of the populations. The operation would be painful and the remedy bitter. It might even be interpreted as a concession to

But the resulting Bosnia — though considerably smaller — would become a riable state. Courage is required to admit that there is no return to status quo aute. JOZEF GOLDBLAT.

xenophobic instincts.

Regarding "There Are Simply No Grounds for U.S. Intervention" (Opinion, March 11) by Dimitri K. Simes:

Contrary to Mr. Simes's argument, I think that nomintervention in the "ethnic cleansing going on in Bosnia would be morally dubious. Should the United States maintain a policy of inaction, it will never be able to justify its prompt military action against Iraq.

Iraqi soldiers did not commit crimes on the scale of what the Serbs are doing. It is disappointing to hear voices calling for passively standing aside.

TANJU SUMER.

#### A Voice for the VOA

William Pfaff, as a former member of Radio Free Europe's supervising organization, understandably extolls its virtues ("The VOA Is a Voice Too Many," Opin-

ion, March 11).

However, oeither RFE nor Radio
Liberty broadcasts to the former Yugoslavia — to those living "inside the caldron of wars." It is the Voice of America that has been broadcasting in Scrbian, Croatian, Slovene and Albanian for almost 50 years and is a key source of information to that beleaguered region.

As for the track record of VOA in

delivering the oews in 49 languages, I offer you the following: During a visit to VOA in 1991, Vaclav Havel, then president of Czechoslovakia, told us, "You have informed us truthfully ... [Now] you will have to inform us about bow to

create a democracy."

In Moscow at the time of the failed 1991 coup, graffiti scrawled on a wall mear the Russian White House said,
"Thank you, Voice of America, for
bringing us the straight scoop,"
Since the spring of 1989, the Chinese
government has attempted to jam our

is becoming fairer.

# Final Salute to Parkinson, A Lawmaker for the Ages

By Robert J. Samuelson

WASHINGTON — Let us now praise Parkinson. That's C. Northcote Parkinson, the British historian. Parkinson's Law: Work expands so as to fill the time available for its completion. It is a stunning insight, yet when Parkinson died the other day at 83, America's major newspapers barely noted his passing. What a lousy sense of history.

We work for big companies, big government, big universities, big media, big hospitals — or have to deal with them. Parkinson was our most penetrating

#### MEANWHILE

(and funniest) observer of bureaucracy. Every day confirms his relevance. Successful bureaucrats, he said, are driven by two guiding forces: "to multiply subordinates, not rivals" and "to make work for each other." Every official who feels overworked appoints subordinates, who, feeling overworked, do likewise. Bureaucracies left to themselves — i.e. left to create make-work — ultimately self-destruct. They become immobilized and can't adapt to change. Witness the collapse of the Soviet Union and —a lesser example - the turmoil at General Motors.

We also learn from Parkinson why deadlines are essential. Because work can be endlessly elastic, nothing would ever get done without deadlines. I could have taken forever to write this column because there would have been forever to write it. Deadlines may inspire superficial thought, but without them there might be no thought at all.

Some of Parkinson's scholarly works ("British Intervention in Malaya, 1867 to 1877") aren't inviting. His reputation rests mainly on "Parkinson's Law" (1957) and its successor, "The Law and the Profits" (1960). These books brim with wisdom and merriment. No committee can succeed with more than 21 members; at that point, "It is hopeless. It is dead." A few members may quietly "exchange little ootes that read, "Lunch

with me tomorrow — we'll fix it then."

At meetings, people talk in inverse proportion to how much they know. Parkinson observed. Those who don't know much can blah endlessly and expense all their barneled during the haust all their knowledge during the span of a meeting. They are not inhibited by ignorance, because they don't know what they don't know. By contrast, the well-informed can't possibly strain they don't know are they don't know are they don't know they contrast, the well-informed can't possibly strains are they have the strains are they are the are they are the explain everything during one meeting.

Anything they might say would insult others by exposing their ignorance — a bad career move. Better to shut up. Successful careers, Parkinson ex-

plained, pass through 10 phases: 1. Qualification 2. Discretion

3. Promotion 4. Responsibility 5. Authority 6 Achienemen

7. Distinction 8. Dignity 9. Wisdom

Obstruction Many careers, though, start successfully but phase into unhappy endings:

6. Frustration

7. Jealousy

8. Resignation
9. Ohlivion
Parkinson's Second Law, though not as well-known as the first, is almost as important: Expenditure rises to meet income. He added the qualification that expenditure also tends to surpass income. Translation: The more you have, the more you want, which explains why the wealthy are not always particularly happy or even solvent.

But Parkinson mainly intended his

Second Law to explain the constant rise in government spending. Governments, he said, would spend whatever they had - and perhaps a bit more. Raise taxes and you raise spending. Lower taxes and you might lower spending. Alas, the qualification to the Second Law may be more valid than the law itself; governments show little embarrassment in spending well beyond their taxes.

Parkinson liked to quote Thomas Jefferson on the value of small government.
"I regard economy (in government)
among the first and most important virtues," Jefferson said. Without it, "we must be taxed in our meat and our drink, in our necessities and comforts, in our labor and in our amusements." Finally: "If we can prevent the Government from wasting the labor of the people, under the pretense of caring for them, they will be happy." (Bill Clinton, an eager spender, poses as an heir of Jefferson.) Our debt to Parkinsoo exceeds his

own insights. He inspired imitators, who have devised other, if lesser, laws of life. For example, the Peter Principle: "Every employee tends to rise to his level of incompetence."

hey

ido, me, the. the

I was about to put Murphy's Law—
I'll it can go wrong, it will"—in this category, but on checking, I find that this law came earlier, in 1949, Its author was Ed Murphy, an aircraft engineer.
Referring to a technician, he said: "If there is any way to do it wrong, he will."

Oh, well. Parkinson isn't the font of all wisdom. Just a lot of it. As a Brit, be

regarded most Americans as illiterate. said the Times of London in its obituary. We can forgive him that, because he helped us understand and be made us, laugh. Thanks, pal. The Washington Post.

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Doth Propose Too Much" (Opinion,

George F. Will pours scorn on a pro-posal for investing in a reduction of worldwide deforestation. Admittedly,

this is not very glitzy compared to the Strategic Defense Initiative. Now there

was a glamorous policy. Sadly, rain for-

ests do not help lobbyists as much as

they help the ozone.

Mr. Will also calls the "modern state"
a "mechanism for raising vast revenues." Compare this to the centuries of

misery that fed the lust of absolute mon-

archs for waging war and creeting pal-aces. The beauty of the modern state is

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It's Antwerp's Year: A Guide to Festivities

By Eric Sjogren NTWERP, Belgium — The scaffold-ing that has obstructed the view of the giorious Gothic cathedral for a generation has finally come down. The Bourla Theatre, newly refurbished, stands ready to resume its role as the center of the cultural life, resplendent in purple and gold as it was 150 years ago. The Central Station has been restored to its turn-of-thecentury Belle Epoque glory. Answerp's year as Cultural Capital of Europe has begun.

Antwerp lies on a bend of the River Schelds, about 50 miles (80 kilometers) from the sea. Emperor Charles V made Antwerp Europe's principal port, and the old city around the cathedral and Grote Markt (main square) is well preserved, containing splendid Baroque man-sions, guild balls and churches. This is mainly a pedestrian area, and gets very lively at night.

Ironically, for a city that is today Europe's second largest port. Antwerp offers remarkably little in the way of river views. The modern port is just north of the city, and along the old

Self-portrait by Jacob Jordaens is part of a major retrospective of the artist, which kicks off Antwerp's year as Europe's cultural capital.

piers the river is mostly hidden from view by the sheds where goods used to be stored,

Antwerp '93 starts officially on March 27 and continues for the rest of the year. It comprises hundreds of music, dance and drama performances and scores of exhibitions, literary events and colloquiums.

The flagship event is the first major retro-spective of works by Jacob Jordaens, born 400 years ago, a contemporary of Rubens and Van Dyck. While the two others found fame and fortune in foreign lands, Jordaeus, who out-lived them both by several decades, remained in Antwerp. The show is March 27 to June 27 at the Royal Museum of Fine Arts, 1-9 Leo-pold de Waelplaats, telephone 238-7809.

The first production at the rejuvenated Bourla Theatre is called "Sarajevo." It brings together actors from different parts of the former Yugoslavia in a play by Goran Stefanovski and Jan Mark that goes beyond the current situation to reflect on the problems and potential of the cities of the world. It will be presented March 27 to April 3 at 19 Komedieplaats; 233-5517. Tickets are \$6.50 to \$24.

The New York-born choreographer William Forsythe, who has worked in Europe for 20 years, brings his Frankfurt Ballet and three full-length productions to Antwerp: "Limb'a Theorem," April 22, 23 and 24; "The Sound of One Hand Clapping," April 27 and 28, and "The Loss of Small Detail," May I and 2. The May 2 performance is at 5 P. M.; all others are

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at 8 P. M. at the Stadsschouwburg, 1 Theatre-plein, 231-0750. Tickets are \$16.75 and \$24.

The Ark is a floating stage built for Antwerp '93 on an abandoned barge that will be moored at different locations. Young performers from 14 cities have been invited to live and work on board. The productions will highlight prob-lems and opportunities of urban living around the world. A company led by Laura Fox from Los Angeles will be the first performers, May 20-23, followed by Olivier Franquet from Marseilles May 27-30 and Ludmilla Korobova from St. Petersburg June 3-6. Information: FNAC Antwerp, 231-2056.

In July and August, the city's most exciting attraction will probably be "Zingaro," billed as a "circus of the emotions" and performed in a giant Berber tent, featuring a Georgian male choir and a Berber women's choir, 25 horses, 3 donkeys and a dromedary. It will take place at Thoneslaan on the left bank, July 20 to Aug. 1 at 9:30, tickets \$26.50.

The cathedral, with its 400-foot single spire, is now as gleamingly white as it was in the 15th century. It was nearly 200 years in the building, and it seems to have taken almost as long to restore it; the work has been going on since the 1950s and has included archaeological excavations. The interior of the church can now be seen as it was 400 years ago. At that time Antwerp was a center for the production of retables, altar frames with a carved centerpiece and painted side panels. Those that rem in Antwerp were destroyed or looted. But many were exported, and 16 have been re-

turned to be restored and exhibited in the

cathedral May 26 to Oct. 3. The Belgian collector Fritz Mayer van den Bergh picked up a Brueghel in Germany in 1894 for \$15. Called "Dulle Griet" (sometimes

1894 for \$15. Called "Dulle Griet" (sometimes rendered as "Mad Meg"), it is now the centerpiece of the Museum Meyer van den Bergh, 19 Lange Gasthuisstraat, 232-4237.

Twenty-five million carats of diamonds are cut and traded in Answerp every year, more than anywhere else; many of the dealers are members of the city's Hasidic community, the leavest in Engage. There are four diamond members of the city's russian community, the largest in Europe. There are four diamond exchanges in the nondescript diamond district near the Central Station. The best place to shop is Diamondiand at 33A Appelmansstraat, 234. 3612, where you can also see diamond po 5012, where you can also see manional polishers, a setter and a goldsmith at work creating 57-facet gents. Most purchases are in the \$1,000 to \$1,500 range.

\$1,000 to \$1,500 range.

The city did not become noted for fashion until the 1980s with the emergence of a group of avant-garde designers known collectively as the Antwerp Sox. Like architects whose medium is fabric, such designers as Ann Demenlemesters, Dirk Bikkembergs and Martin Margiela changed the shape of clothes. The trend-setting shop in Antwerp is Louis, 2 Lombardenstraat, 232-9872; a jacket, for example, is about \$700. Modelpaleis, 16 Nationalectrast (03) 233-9437, is another leading (ashlestraat, (03) 233-9437, is another leading fashion bounique.

Eric Sjogren, who lives in Brussels, wrote this for The New York Times.

## GIIDE



Chris Rock in the lead role of Albert, a/k/a MC Gusto, in "CB4," a "rapumentary" on hip-hop culture.

#### Private Lessons

Directed by Seiji Izumi. U. S., Japan.

"le's Time to Fall in Love Again," reads the advertising slogan for this peculiar picture. For here is Goro, poor little rich boy, pining away for he knows not what. But the villainous, blackmailing chauffeur knows. The 18-year-old has full glands and love is in the air. To this end the bad driver hires a foreign lady twice the lad's age to help him with his summer homework French. She uses her white body as text (Yes, Festomac, oul the stomach) and shortly has the boy in bed studying irregular verbs, while the chauffeur makes his incriminating videotapes. Cynical creature though she is, however, she shortly - as is the way with films like this - falls in love with the little nerd. Expected complications follow and in the end

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they must part because in such adenoidal pictures as this lovers always part — particularly if they are of different colors. Goro, however, has grown up and in the end we see him putting the make on his American English teacher. I guess that explains the advertising slogan. And Goro Inagaki is a Japanese pop-singing star, which explains, I guess, the financing. But what I don't understand is what a nice. intelligent actress like Joanna Pacula is doing in a picture like this. (Donald Richie, IHT)

Un Lugar en el Mundo Directed by Adolfo Aristarain. Argentina.

The pampas of Argentina serve as a majestic backdrop to this tale with two intertwined plot lines: good guys vs. bad guys and good guys vs. themselves. Aristarain, also the scriptwriter, pens in plenty of melodrama and

a small lake of tears, yet this is not a tango Western. The in-trigue and beauty lie in the mumerous conflicts left unresolved. A Buenos Aires Jewish doctor (Cecilia Roth) and her husband, an atheistic schoolteacher (Federico Luppi), are back home in Argentina after fleeing the military dictatorship's dirty war. Ideals intact, they and a liberal nun establish a rural cooperative to help shepherds, irritating the wealthy landowner. When a handsome, once-progressive Spanish geologist (José Sacristan) arrives for some shady oil explorations, you can forget the relaxed country life. Meanwhile, the liberal couple's attempts to impart values to their 12-yearold son become very complicated as they wrestle with their own future. The adventurous boy's most enduring lesson centers on the difficulty, as the film title suggests, of finding a place in the world.

(Al Goodman, IHT)

# Spike's 'Malcolm X'

# Is All the Rage

By T. R. Reid Washington Post Service

OKYO -- Here's the latest fashion advice from Japan's trend-crazy young people: Don't go anywhere without your Ekkusu That's Ek-kusu as in Malcolm Ekkusu — "ek-ku-su" being the Japanese pronunciation of "X." The opening here last month of Spike Lee's "Malcolm X." together with a formidable marketing effort to sell the movie and related clothing, books, CDs etc., has sparked an "Ekknsn

boom," particularly among young people.

Among a certain set, there seems to be a rule right now that it is all but compulsory to wear at least one item of clothing - jacket, baseball cap, T-shirt, sweater - bearing the

big silver "X" logo from the film.
But there's also evidence that the fascination with Malcolm X runs deeper than the

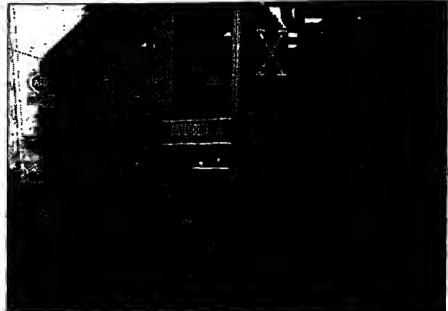
usual cyclical boom. The Japanese, most of whom had probably never heard of Malcolm X three months ago, are also showing surprising interest in the black leader's intellectual and spiritual message. The attention paid to Malcolm X and the civil rights movement, in turn, is giving this homogeneous country a better sense of the American experiment in build-

ing a society woven from numerous national, racial and religious threads. "The Autobiography of Malcolm X" was published in Japanese last month in a thick edition priced at \$25, about twice as much as serious nonfiction books usually cost in Ja-pan. Yet, it has taken off; the publisher has ordered five reprintings in the past two weeks, and 100,000 copies are now in print

Last week, less than three weeks after its publication, the book was the No. 1 nonfiction best-seller in Japan, according to Tohan Inc., a big book distributor.

Several other books by and about Mal-colm X are also selling well, and his face is on the cover of at least six Japanese magazines this week

United International Pictures says "Maloolm X" is playing at about 60 theaters in Japan and sells out in every city every night.
The film has had a much deeper impact in
Japan than other recent U.S. releases, including "The Last of the Mohicans," "Bob



Shipabilin Togo for The Washington Post

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Shopping for "Malcolm X" memorabilia on Malcolm X Boulevard in Tokyo.

Roberts" and even "Mr. Baseball," which had a Japanese theme and a big PR cam-

paign behind it.

TV networks have run lengthy documentaries on Malcolm X, his role in the U.S. civil rights movement and his religious and political views. Colleges and adult-education centers are holding special classes and semi-nars on his teachings.

The two sides of the X boom are clearly Shibuya, where one of the narrow shopping streets has been renamed "Malcolm X Bou-levard," and retail outlets large and small are

marketing Malcolm X memorabilia. There are two branches of the Lee boutique "Spike's Joint," selling the standard black T-shirt with big silver X (531), a baseball cap with a red, white and blue X (\$41), sweatshirts with English slogans like "Stay Black" and "Ya-Dig Sho-Nuff" (\$67), and numerous other items of X-related apparel that are now hot among many high school

and college students here. Across the way, the Parco department store has set up a Malcolm X Gallery, a museum-cum-bookstore for people whose interests run deeper than the latest style craze. The shop offers more than 20 books

■ Lucky Hungary! Yoko Ono, always up to a good deed, has contributed 22 of

works to a Budapest museum show, while

a gallery is also abowing her 1960s work. Mankind is threatened by man

her own so-called conceptual art

himself," she told a newspaper.

mankind." Imagine that

Those who see my two exhibits in

Budapest will know what to do for

TIIS

about Malcolm X and his movement, four CDs of Malcolm X speeches and an assortment of other CDs and videos dealing with blacks in the United States and their fight for equality.

Answers to a questionnaire indicate that

80 percent of the people visiting the Malcolm X Gallery had never heard the man's name until about two months ago, when the public relations hoopla for the movie began, Yet, today this man is the focus of enor-

mons interest here. Why?

"At first it was the idea of the hot new fashion," says Tadashi Pujita, editor of Bad News magazine, sort of a Japanese Rolling Stone. This was part of black culture like rap music, hip-hop, Spike Lee. All that stuff is really cool now in Japan.

"But now, seeing the TV specials about Malcolm, hearing his speeches, seeing all these books, people are saying. This was an

incredible person. This was a powerful leader." In his own publication and in Malcolm X

seminars, Fujita is reminding the Japanese that they, too, have discriminated against minority groups, such as the Ainus, the northern aboriginal tribesmen, and Koreans living in Japan, and that they should take Malcolm X's message to heart.

But another basis for the admiration of Malcolm X is that many Japanese feel a vague sense of kinship with American blacks. The feeling comes from the sense that both groups have been victims of discrimination at the hands of whites.

"We are a yellow race. We know about discrimination too," said Yuka Matsumoto, a 17-year-old high school junior who stood in line with three friends for an hour last week to get a seat at a seminar on Malcoln X and his movement

"Malcolm X was fighting against discrimination," she said, "and we wanted to understand how he did it, what he was saying."

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CB4
Directed by Tamra Davis.

"CB4" is an inside-baseball

"rapumentary" on hip-hop cul-

ture that scores most of its

bountiful comic points just by

being down with what's inside. Written by the music critic Nel-

son George and Chris Rock of "Saturday Night Live" (who

also plays the lead role of Albert, a/k/a MC Gusto), the

movie is part rap "Spinal Tap," part "Loaded Weapon L" part Mad magazine. And, like those

forms of parodic tribute, it as-

sumes a very specific level of

hipness. In other words, if you

don't know rap, forget about it.

If you know the turf, though,

you're in for some fun. In "CB4," hip-hop, per se, is shown

as a musical revolution that has

already evolved past the lewd

infancy that is being lampooned. It's fun to look back and laugh,

even if the past was only yester-day. (Hal Hinson, WP)

PTALY

(Hal Hinson, WP)

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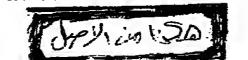
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By Suzy Menkes International Herold Tribune

ARIS - He has a patent on it: Dr. Lagerfeld's magic potion to pep up the fashion season. Chanci's show Thursday was so up it was practically flying. It was Coco on LSD as the models pranced down the runway in hairy Eskimo boots, with full-moon Mongolian lamb purses swinging and hair covered in camellias buried in psychedelic tufts of monkey fur. Underneath the overdose of fashion para-

phernalia and e show playing straight to the gallery were the most desirable and wearable dothes. You have to hand it to Lagerfeld for making Chanel happen season after season —even if this show looked like fashion's final hallucination before it trips over and out. The mob scene backstage and the merry atmosphere on the runway are a tribute to his climactic place on the current scene.

Yet Lagerfeld had claimed that he wanted to "go back to the beginning": using the long men's underwear that had first inspired Coco. The baggy leggings-without-Lycra were the least successful thing in the show — but they were just there to partner jackets embedded with sparkling sequins, made in sweet-pea pink or blue pastels, or in bright tweeds threaded with chenille and matching vests. He occasionally sent them out unadorned, but mostly with hanging-out white cotton shirts or under cobweb shawls to make a

grungy mess of fine tailoring.
"It's the way to show — I don't want to
make Chanel old and boring like..." Lagerfeld said backstage, giving off-the-re-cord the name of a correct couturier. Kalman Ruttenstein of Bloomingdale's, raving over

kuttenstein of Bloomingdate's, raving over the show, agreed.

"Lagerfeld is pushing styling to the nth degree to make the point — and he pushes fashion forward," he said.

What was new at Chanel? Skinny long coats in partidgy tweed; denim decorated with tweed braid; gunmetal chains; classy, classic cashmere sweater sets with sharp borders of color. Puss-in-Boots enlivening velvet ders of color, Puss-in-Boots enlivening velvet pantsuits; pristine, romantic white collars and cuffs; a corset dress that came out first in leather, then in a snuggle of crushed velvet Lagerfeld knows how to work the media and to make clothes that work - and that is his

Oscar de la Renta's first ready-to-wear show for Balmain was quite a different story: ladylike, uptight, primly presented. Maybe it was the hemlines. The test of a current designer is whether length is an issue, and at Balmain it was a Big Statement. Fabric flapping to the ankles was fine for the long coats - shim over pants or a swiri of riding coat with velvet trim. The same length looked dreary for a tweed suit speckled like farmyard eggs or for a floppy jersey dress sashed with

De la Renta had gone to the Tirol (a hot fashion spot for designers this season) for sturdy suits in muddy colors topped with the

and the second second second



From Lagerfeld for Chanel, tweed jacket and monkey fur hat, at left; Oscar de la Renta's Provençal-print layered look for Balmain.

kind of hats that should never leave Bavaria. There were some mildly elegant day and evening clothes, but jacquard-knit coats, vests and pants in a bouillabaisse of prints looked more provincial than Provençal. It was not a collection to catapult fashion for-

ward or to enhance the image of Balmain. Emanuel Ungaro's prints made an excel-lent opening to his long collection squeezed this season into his conture showroom. Two parts folklore to one part sophistication was the right recipe for the ethnicpatterned jacquard jackets, worn with simple flamed or pinstripe pants or with long, slim pleated skirts. They dominated the show to such an extent that when Ungaro suddenly sent out short black leather skirts they were an awkward shock.

The luxury sportswear look in wine-dark colors ended when the sporty flat boots came off and glamour and high heels came on. Although clients of luxury houses need eve-ning clothes, it was difficult to believe in Ungaro's midcali jersey dresses with more droop than drape. A richly embroidered jacket dosed with simple crepe pants and gossa-mer-fine pleated pants with a sprinkling of jet on simple jackets were fancy but classy. Hermès ought to be able to bridge the gap between the couture ready-to-wear and younger, funkler clothes. Instead its collection of

etiolated riding clothes suggests a credibility gap. What is the market for cross-gaitered snede pants, luxurious gossamer-mohair sweaters with dangling suede fringe, high-rise riding skirts and blazers printed with a pre-Yeltsin parade of caparisoned Russian horses? Refined riding jackets with a saucy swing to their backs and swooshing riding coats were fine pieces. The rest are tasteful versions of every current trend from medieval lacing to Robin Hood jerkins. They will make per-fect pictures for fashion magazines — and Hermes customers can carry on buying the

It was strange and sweet to see Inès de la ressange's presentation immediately after Chanel — for Ines does what Coco was: not really fashion, but one woman's take on style. The capsule show she put on at the Plaza Athenée was deliciously witty in its visit to the Tirol — e sober tweed suit in sunshine yellow with russet velvet trim, topped with a too-small hat with an outsize autumn leaf as a feather. It was funky in its scene from the 1960s; black leather with skeleton-print knit sent out to a morbid Irish ballad. Apart from redundant evening wear, each piece was just right, nothing much, but fun. De la Fressange will have a boutique in Saks Fifth Avenue in the fall. Her show could, oh it should, have made the perfect ending for a too-long Paris season.

house's signature bags and scarves.

# The Right Question at the Right Time

By Roger Collis

OT EVERY business traveler wants to be a travel expert. Delegation, after all, is the key to pays to become an expert in shopping around for travel deals and knowing how to ask for them. You only get the right answers if you ask the right questions. The best way to profit from a buyer's market is to be a

For airline tickets you're probably better off going through a travel agent than calling

better customer.

#### The Frequent Traveler

an airline direct. For hotels either book direct or through your agent, depending on whether he can get you a "better than corporate rate." But always second-guess him by checking with another agent. Even the best agents cannot deliver the best deals everywhere.

The key to buying travel is someone at the other end of a phone or desk who under-stands exactly what you need (even if you are not quite sure yourself) and who has the knowledge and motivation to provide it.

An agent needs the skill and motivation to hunt through the jungle of fares and come up with the best option — in terms of price, convenience and routing. Few agents are willing to save you money in this way unless you are a big customer. The harder they work at finding you the best deal, the less money they make.

Reservations people often try. But they're inclined just to read off a computer reservation system display screen. Expediency is one form of bias; more pernicious is when "host" airlines manipulate the system in fa-vor of their own flights. By offering travel agents "override" commissions and cash bonuses for switching flights, they are able to influence the quality of information an agent gives his customers.

Bot before picking up the phone ask yourself some questions. Are you con-cerned primarily with price or with the fastest routing? Are you prepared to change planes twice to earn frequent flier miles? Are there airlines and hubs you want to use or to avoid?

Be clear about what you are offered and ask for alternatives. Be aware that e "direct" flight (even with one flight number) may not be nonstop. Do you have to change planes (if so, to which type?), airlines or terminals? Are connections guaranteed? Are there any special deals for hotels or car rentals? Are there departures more convenient to the time you want to travel? If you were to travel at a different time, could you get a price break or a better routing? Are there other flights that get you there earlier? How can you get most frequent flier miles? Does this airline have a tendency to overbook? What about a free upgrade? Are there any penalties if you change your ticket? Would it be cheaper over the weekend? Will you be able to get a cheap



ticket on that flight? Should you take the early flight so that you can get an empty seat next to you?

Always ask for consolidator tickets, which can provide discounts of up to 60 percent off the published fares in first, business and economy. The only restriction is that you can't switch to another carrier. Airlines will appoint certain agents as consolidators to sell surplus tickets on some routes — a kind of under-the-counter discounting. The best deals are usually with foreign carriers (airlines prefer to do deals in someone else's

A good agent can save you almost as much through "fare construction," which allows you to fly up to 25 percent more miles between two points either free or for a modest surcharge. If you plan to make more than one long-haul round-trip in a year, ask the agent to combine the trips on one ticket. You can save up to 30 percent. For example, such a ticket might read London-Singapore-Lon-

don with London-New York-London at a later date. If you fly frequently to a country with a weaker currency ask the agent to sell you "back-to-back" tickets. You buy an initial one-way ticket (to Bombay, for example) and a series of round-trips at the other end.

When it comes to hotels, always ask for a corporate rate, typically 5 to 20 percent off the rack rate. Ask your agent if he can offer you a "negotiated rate" through bulk buying or membership of an agency consortium such as Hickory or Woodside. You may be able to get up to a 40 percent discount. Ask the agent if you qualify for a better deal with a "fly-stay" program.

Whatever discount you're offered, it is a good idea to call a hotel directly to ask about weekend promotions — which may not always make it into the central reservations computer. In large cities, many mid-price and deluxe hotels slash rates over weekends, typically by about 50 percent. But always ask for the net rate when you call: The discount may be offered only on high-price rooms or an inflated rack rate that nobody pays. An inquiry to reception might go something like

"Hi, what can you offer me for next Thursday?"

"I have a deluxe king for \$300."

"Is there e corporate rate?"

Yes, \$270." "And other rooms?"

Executive twins are \$230, regular twins are \$180."

"What does that include?" "Service and tax. English breakfast is ex-

"That's more than I'm ready to pay. What about weekend deals or promotions?" "I can give you 50 percent off a regular twin for Friday, Samrday or Sunday night." "What does that make the net rate?"

"That's \$90." Can you give me that rate if I stay Thurs-

day and Friday?"
"Yes, I'd be pleased to do that."

"Any chance of an upgrade?"
"I can probably give you an executive twin for the same. "If you can do it with breakfast as well I'll

take it. "Fine. Your name please?"
An ounce of chutzpah can go a long way.

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#### Priorities

than 500 works by Czech avant-

SWEDEN

Stockholm

Do decide your priorities and how much flexibility you need before calling the travel agent or reservations desk.

#### Knowledge Is Power Don't be deterred by the Ignorance of

reservations staff. They may not know or care about other possibilities. Test them with your own knowledge. Hit them with what if?" scenarios.

#### **Hotel Promotions** Do call hotels direct to ask about any

promotions. These do not always make it into central reservations.

#### Alternatives Do be clear about what you are offered

and ask for alternatives. If you travel at different time, can you get a better routing or a price break? Will you get a better rate by extending your stay?

# THE ARTS GUIDE



Works from the Jules Flandrin retrospective in Isère, France.

#### AUSTRIA

Vienna
Kunstitiaus Wien (tel: 712.0495).
To May 3: "Andy Washol: 1928-87."
More than 100 works on carryas and Pop Art sculptures by the American artist along with 50 photographs by Christopher Makos.
Museum Moderner Kunst Stiftung Ludwig (tel: 34.12.59). To April 11: "Martial Paysse." A retrospective including more than 150 works produced between 1959 and 1991.

#### BELGIUM

Brussels
Musées Royaux d'Art et de d'HisMusées Royaux d'Art et de d'HisMusées Royaux d'Art et de d'Histoire (tel: 733.4647). To April 30:
toire (tel: 733.4647). To April 30:
"Splendeurs des Sassandes." Persan gilded silver, textiles, weapons,
mosaics and trescoes from the 2d to 7th centuries.

#### Museum voor Schone Kunsten (tel. 217.109). March 20 To June 6: 'Theo van Rysselberghe." A retro-

the Belgian Neo-Impressionist. BRITAIN Durham Cathedral Celebrates 900
Years (tel. 846.9000). To Nov. 3.
More than 900 exhibitions, concerts,
conterences and special events mark
the 900th anniversary of Ourham Cathedral in Noreh East England.

trends in design.

Royal Academy of Arte (tel: 439,7438). To June 5: "Georges Housuit: The Early Years 1903-20."

A retrospective including paintings, watercolors, ceramics and drawings. watercolors, ceramics and crawings.
World Circuit Arts (tel: 809.7960).
To April 19: "The Living Fire." A festival featuring Kurdish arts and culture through a wide range of films and videos along with live performances and exhibitions of their artisan tradition in costumes. desion, painting. tion in costumes, design, painting.

Manchester
The Whitworth Art Gallery (tel: 273.4865). To March 27: "Nature's Way: Romantic Landscapes from Norway." More than 120 oil studies, watercolors and drawings by J. C. Dahl and Thomas Fearnley.

#### CANADA

Musée dea Beaux-Arts (tel: 285.1600). To March 26: "Grand Siècle." More than 130 paintings by 17th-century French artists, with works by Le Nain, Poussin, Latour, spective of paintings and drawings by Le Sueur and La Hyre.

National Gallery of Canada (tel: 990.19.85). To May 23: "The Crisis of Abstraction in Canada: The 1950s." Abstract art by such groups as the Automatistes, Painters Eleven and First Plasticiens.

the 900th anniversary of Ourham Cathedral in North East England.

London

Design Museum (tel: 403.6933) To Design Museum (tel: 403.6933) To August 22: "Detached Dreams. August 22: "Detached Dreams. August 22: "Detached Dreams Evans document the Jewish communities in Musee-Galerie de la Selta (tel: 40.60.32.14). March 20 To Aug. 1; "La Renaissance de la Mode Italienne: 1952-1973." The Mode Italienne: 1952-1973." The Design Museum (tel: 403.6933) To Vishniac." Vishniac's photographs by Graham Evans document the Jewish communities in Musee-Galerie de la Selta (tel: 40.60.32.14). March 20 To Aug. 1; "La Renaissance de la Mode Italienne: 1952-1973." The Mode Italienn

# THE CZECH REPUBLIC

Prague
Museum of Applied Arts (tel:
57.73.06). To March 30: "Borek Stpek: The Nearness of the Far Architecture: Design." Furniture, glassware, caramics and drawings by the
Czech designer. DENMARK

Louisisma Museum of Modern Art (tel: 42.19.07.19). To May 9: "At the Edge of Chace: New Images of the World." A survey of developments in architecture, the visual arts and sci-

#### FRANCE

Musée Jean Vinay (tel: 76.36.40.68). To May 31: "Jules Flandrin." A retrospective including more than 300 paintings by Jules Flandrin,

La Cité des Sciences dt de l'Indus-trie (tet: 40.05.85.85). To Aug. 31: "La Douleur." This exhibition explores aspects of pain and ways creited to combet it. Musée des Arts de la Mode et du Textile (tel: 42.60.32.14). March 20

ument the dreams and aspirations of Lublin, Kraków and Warsaw in the contemporary British society through 1930s.

1930s. THE CZECH REPUBLIC

THE CZECH REPUBLIC

45.56.60.18). To May 29: "Moisan d'une Republique; de Gaulle a Mitterrand." Carlcatures and satirical drawings and illustrations of French presidents from de Gaulle to Mitter-

> Tourlouse Musée des Augustine (tel: 61.22.21.82). To June 7: "Samar-cande: Ses Terres Secretes." More than 400 ceramic works produced between the 8th and 13th centuries.

Haus der Kulturen der Welt (tel: 397.870). To May 2: "China Avant-Garde." Contemporary art from China featuring the works of 16 artists.

Rheinisches Landesmuseum (tel: 438.3666). To Rheinisches Landesmuseum (tel: 472.41). To April 25: "Hundert Jahre Protographie in Russland von 1840-1940." One hundred years in Russla illustrated through more than 390 portraits, lendscapes, genre photographs and still lifes. Wiel am Rhein

Vitra Design Museum (tel: PUSSIA 702.200). To March 28: "Minta-turen." A series of miniatures which exemplify furniture design over the past few decades.

#### RELAND

The Irish Museum of Modern Art (tel: 718.668). To May 30: "P. J. Carrol Collection: Aspects of Irish Painting (1960-1990)." Works by

The Israel Museum (tel: 70.88.11).
March 23 To Juna 6: "Familiar
Faces." Drawings, prints, photographs, oil paintings, and sculptura
explore approaches to portraiture.

#### ITALY

Lugano Dicastero Musel e Cultura (tel: 20.72.09). To May 30: Francis Ba-con: 1909-1992." A retrospective of works produced between 1940 and 1991 by the English figurative artist.

Castello di Rivoli (tel: 958.7256).
To April 25: "Torino e l'Arte." An exhibition on Turin's role in contemporary culture and art between 1950 and 1970. Turin

#### JAPAN

Himeji
Himeji City Museum of Art (tel: 92.22.22.85). To April 1: "Pictures, Stories and Poerrs." More than 60 pictures pertaining to subjects found in literary works, including Picasso's etchings for a Balzac novel and Matsse's etchings for a collection of poerrs. poems. Kyoto

Kyoto Netional Musaum (tel: 541.1151). To May 9: "The Roots of Jepanese Nationality." This exhibit re-creates the ancient establishment of Yamaro, the first unified state in the un anizuo, une inst unified state in the Japanese archipelago, through more than 650 artifacts collected from ru-ins throughout the country. Tokyo

National Museum of Modern Art (tel: 3214.2581). To March 28: "Fauvism and Modern Jepanese Painting." Features 200 oil paintings by Duty, Kandinsky and Matisse, among others.

#### NETHERLANDS

To Aug. 22: "ADIVASI: Het Andere India." in commemoration of the international year for the indigenous people, this exhibit pays tribute to the indigens of India. Includes drawings, murals, paintings and sculptures.

Groningen

Groninger Museum (tel: 183,343). To April 25: "Mirror of the East Asian Art from the Rijksmuseum Amsterdam." Artwork from Crina, Japan, India, Indonesia and Nepal, executed between the 2d and 17th centuries.

Maastricht Exhibition and Con-gress Centre (tel: 438.3666). To March 21: "The European Fine Art Fair." One hundred and sixty dealers

St. Petersburg
The State Hermitage Museum (ta

812.2129545). To April 11: "The George Ortiz Collection." Some 280 masterpleces spanning 30 cultures from the Neolithic age to the late Byzantine period.

#### SPAIN

Barcelona

## SWITZERLAND

To Feb. 28: "El Arta en la Piel." More than 124 objects made from tur from the collection of Andreu Colomer Muaéa de l'Athénée (tel: 22.31.61.90). To April 8: "Hommage a Theodore Strawinsky." A retro-IVAM Centre Julio Gonzalez (tel: 386.3000). "The Art of the Avant-Gerde in Czechoslovakta." More spective of the artist's paintings and

Martigray Fondation Pierre Glanadde (tel: 22.39.78). To June 10: "Retrospective Jean Dubuffet, 1901-85." More than 150 works in various mediums

#### by the French artist.

#### UNITED STATES Nationalmuseum (tel: 6664250).

Chicago
The Art Institute (tel: 443.36.00).
To May 30: "Magritte." A retrospective aurveying 50 years of work by the Belgian Surrealist Rene Magritte.
More than 200 paintings, sculptures and works on paper. To March 28: "Furniture: Mathsson, Chambert, Kandell and Bohlin." In-Chambert, Kandell and Bohlin." In-novative furniture by leading design-ers of the current century. Also, To April 12: "Munch and Carrière: Two Symbolist Printmakers." Forty prints by the Norwegian and French artists.

Museum of Fina Arta (tel: 713.526.1361). To June 27: "Imperial Austria: Treasures of Art, Arms and Armor from the State of Styna." More than 300 works chronicle the history of Austrian culture through art, arms and armor, as it evolved in the Austrian state known as Styria during the period of the Habsburg rule.

New York Guggenheim Museum (tel: 423.3500). To May 16: "Picasso and the Age of Iron." More than 10C sculptures from the years 1925 to 1950 by Pablo Picasso, Julio González, Alexander Calder, David Smith and Alberto Glegorietti. and Alberto Glacometti .

Washington
The Corcoran Gatlery of Art (tel: 638.3211). To April 4: "Africa Explores: 20th-Century African Art."
More than 100 objects from 15 countries.



LOUIS MALLE, FILM DIRECTOR

# People at the top read the Trib.

No local bias. No national slant. No partisan viewpoint. Simply a balanced editing of the news for people with a stake in international affairs.

Herald Tribune

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# THE TRIB INDEX: 96.39 International Herald Tribune World Stock Index e, composed ol 230 internationally investable stocks from 20 countries. compiled by Bloomberg Business News. Jan. 1, 1992 = 100. The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the Control of of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked. Asia/Pacific Europe N. America Close: 98.85 Prev.: 94.87 ONDJFM ONDJEM Industrial Sectors The. Prev. % close change 99.54 98.50 +1.06 Capital Goods 96.56 95.30 +1.32

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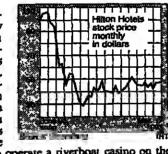
## **Hilton Hotels Is Trying** To Capitalize on Its Name

By Edwin McDowell New York Times Service

EW YORK -- The stock of Hilton Hotels Corp. traded at \$115.50 in 1989, when the company put itself on the auction block. But when no one bid for it, the stock plummeted and has been trading at about half that value ever since. The stock closed Thursday at \$48.125, off 37.5 cents, on

the New York Stock Exchange.
"We have it rated a hold," said Margo L. Vignoia or Saiomon Brothers, "mostly because it still derives close to half its sales and operating profits from its hotels." Many of those properties are in big cities plagued by overcapacity and where room rates have been depressed for several years.

Hilton owns 21 hotels, including the Waldorf-Astoria in New York and the Palmer House in Chicago. It partly owns 14 hotels and it manages or franchises 207 others, including 42 resorts. its owned-and-operated properties include five hotel casinos in Nevada and casinos in Australia and Turkey. This week, Hilton and a partner, New Orleans



96.36 94.60 +1.86

87.22 86.37 +0.98

Paddlewheels Inc., received the first of two licenses required to operate a riverboat casino on the Mississippi River, and Hilton was recently chosen to operate a riverboat casino for Kansas City, Missouri.

Ms. Vignola thinks the Las Vegas Hilton, which caters to conventions and high rollers, and the Flamingo Hilton-Las Vegas, which seeks leisure travelers, may lack the bells and whistles that some

seeks icisure travelers, may lack the oens and waistes that some competitors there will use to lure guests and gamblers.

But, conceding that Hilton has "a lot of intrinsic earnings potential and intrinsic value," Ms. Vignola estimates earnings a share this year of \$2.55, up from the \$2.17 a share that Hilton earned in 1992.

Hilton is looking for bargain hotels, as when it paid \$83 million last year for the distressed Bally's Casino Resort in Reno, Nevada, now the Reno Hilton, which cost more than \$220 million to build. And the company hopes to cash in on its name to continue acquiring management contracts and converting existing hotels. Hilton avoided the 1980s building and buying binge that hurt other hotel companies, and is well situated for growth. "As of the fiscal year we had \$665 million in cash and equivalents," said Raymond C. Avansino Jr., the president and chief operating officer.

# Trouble Abroad: U.S. Exports Slow

By Lawrence Malkin International Herald Tribuse
NEW YORK — The Commerce Depart-

ment reported Thursday a sharp deceleration in U.S. export growth for January, something that had long been forecast amid the world economic slowdown.

Imports also declined, but the monthly trade deficit nevertheless widened 6 percent to \$7.3 billion, a trend that is expected to

The statistics were released on the same day that Jacques Delors, president of the EC Commission, was holding talks with Presi-dent Bill Clioton on trade issues. January's export growth was only 4.3 per-

cent from a year earlier, or almost flat after price rises, and is expected to continue declin-ing. Exports fell to \$37.01 hillion in January from \$39.67 billion in December. Economists were puzzled, meanwhile, by e drop in imports to \$44.31 billion from \$46.56 billion. Some ettributed the drop to a low level of

restocking after Christmas and predicted imports would start rising again for spring buy-ing, as they did in the pre-Christmas months, turning the U.S. trade deficit back toward \$100 billion this year. Others said U.S. goods were regaining a competitive edge in price and quality, a development most marked in the automobile industry.

The export decline was led by foreign sales of jet aircraft, which plunged by almost \$900 million to \$1.48 billion as foreign deliveries by Boeing Co. fell to 21 planes, from 28 the previous month. Foreign sales of automobiles and parts also dropped about \$900 million, to \$1.48 billion, as sales of American recreational and four-wheel-drive vehicles slowed in the international economic downdraft. But U.S. automobile amports also declined, by \$851 million to \$3.54 hillion, as domestic produc-

ers began recapturing some market share.

Partly because of this, the U.S. trade deficit with Japan, which accounts for about half the total and creates the principal political and economic irritant between the two countries, narrowed to \$3.9 billion from \$5.1 billion. But this is unlikely to make things much easier for Prime Minister Kiichi Miyazawa when he comes to Washington on April 16, as Mr. Clinton still is expected to press him to stimulete Japan's economy as a way of raising its imports.

Lawrence Summers. Mr. Clinton's nomioee for Treasury undersecretary for internanonal affairs, told the Senate Finance Com-

mattee at his confirmation hearing Thursday morning that U.S. economic growth was likely to eclipse Europe's and Japan's this year

"While we can take sausfaction from our recovery, slow growth abroad means slower growth for U.S. exports and rising trade imbalances. he warned, Mr. Summers said the imhalances demanded an improvement in economic coordination among the Group of Seven industrial nations.

Economists warned that in the immediate luture, the United States would probably continue to go it alone in growth among the industrialized powers and would get little help from export markets. Edward Yardeni of C.J. Lawrence calculated that trade contributed to the country's economic growth in the last quarter of 1992 but said it would probably detract from growth this quarter,

David Rolley, international economist at DRI/McGraw Hill, said that all of the 6 percent increase in U.S. exports last year came from Laun America and Asia, and he forecast an increase of only 4 percent this year, with none of it coming in Europe or Japan. He forecast import growth of 8 percent or 9 percent, about the same as last year,

# Man Who Built BMW Gives Up Post

By Ferdinand Protzman

New York Times Service BONN - BMW surprised the eutomotive world on Thursday by announcing the replacement of Eberhard von Kuenheim, the autocratic executive who transformed the maker of cars and motorcycles into a global concern during his 23year tenure as managing board chairman.

Mr. von Kuenheim, 64, will re-linquish his post in May and become chairman of the supervisory board. He will be succeeded by Bernd Pischetsrieder, BMW's 45year-old chief of production.

Under Mr. von Koenheim, Bayerische Motoren Werke AG experieoced the most dynamic growth in its history, as sales soared from \$393 million in 1970 to \$20,1 billion, or 31.2 billion Deutsche marks, in 1992. He reinvested billions of marks in steadily upgrading BMW's design, research and production facilities, which now rank among the most modern in the The company reached several

nilestones last year. Its car produc-

tion surpassed that of its archrival. to replace him is considered a sur-Mercedes-Benz, for the first time prise, too. Industry experts had and Mr. von Kuenheim announced long viewed Wolfgang Reitzle, that BMW would build a produc-

tion plant near Greenville, South chief, as the most likely successor.

Carolina, making it the only Euro-

The chaoge of chairman at pean car company building automobiles in the United States. Volks-wagen AG is the only other German

#### Eberhard von Kuenheim transformed the company into a global concern during his 23 years as managing board chairman.

New Stanton, Pennsylvania, closed in 1988 after racking up huge losses. The timing of Mr. von Kuenheim's departure has been a matter of speculation in German automorive circles for years and he was fond of telling people that the Quandt family, which owns BMW, had left the decision up to him. Despite his age, many industry experts believed he would remain as nanaging board chairman for sev-

The choice of Mr. Pischetsrieder

automaker to have tried. Its plant in world. The European market is projected to contract 20 percent this year and little improvement is forecast for 1994.

At the same time, Japanese car companies are moving aggressively into the European Community market, where they are setting up production facilities to get around quotas on imported cars.

The downturn is being felt most acutely in Germany, which has Europe's largest automotive industry. Companies like Volkswageo AG and Daimler-Benz AG have been

forced to take radical moves to cut costs and improve productivity because of the decline in sales. While BMW has seemed largely

immune to the problems plaguing its rivals, the choice of Mr. Pischetsrieder indicates that the Munich-based manufacturer is preparing for much tougher competition in the near future. A Munich native. Mr. Pischetsrieder is an energetic young engineer who has exhaustively studied Japanese methods of "lean manufacturing" and just-in-time supply of compo-nents to the assembly line. One of his most notable accomplishments so far was designing the assembly plant that will be built in South Carolina.

Mr. Pischetsrieder joined the company as a planner in the production department in 1973, after graduating from Munich's Technical University with an engineering degree. Two years later he was made head of the production department at the Munich assembly plant. From 1982 to 1985, he headed BMW's operations in South Africa, where it

# **U.S. Contractor Sets Big Payout** To Stockholders

FALLS CHURCH. Virginia -General Dynamics Corp., the mili-tary contractor that has been paring itself down through asset sales since the end of the Cold War, on Thursday moved to put \$600 mil-lion-worth of the proceeds into stockholders' pockets. General Dynamics, whose stock

has doubled over the past year as investors applauded its deliberate shrinking act, also said that it was reorganizing its top management and reducing the size of its corpo-rate staff and its board. The company said it would pay a

special dividend of \$20 a share to common stockholders from the proceeds of several billion dollars in asset sales during the past year. The dividend is payable to stock-

holders of record as of April 5, and the prospect of that payout lured investors to the stock in Thursday trading on the New York Stock Exchange. General Dynamics' stock rose \$1,375 to \$118.625. For more than a year. General

Dynamics has been selling operanons as part of a campaign by Chairman William A. Anders to increase shareholder value now that military budgets are shrinking and investment in military production makes less sense. The company has sold its missile

business to Hughes Aircraft, a divi-sion of General Motors. for \$450 million: its Cessna commercial aircraft operation to Textron for \$600 million: and its data-systems division to Computer Sciences Corp. for \$200 million. And General Dvnamics recently completed the \$1.5 billion sale of its combat aircraft business to Lockheed Corp. Once the second-largest U.S. de-

fense company, General Dynamics now concentrates co building tanks, nuclear submarines and space launch systems.

One stockholder who will un-doubtedly be delighted with the special dividend is Warren E. Buffert, the renowned investor who last year, seduced by Mr. Anders's downsizing strategy, bought 14 percent of General Dynamics'

## Taiwan Stops F-16 **Payments**

TAIPE1 - Taiwan has halted its payments for 150 American F-16 jet fighters valued at \$5.8 hillion because the two sides have failed to reach an agreement on sharing of production and technology, a Tai-wan legislator and defense ex-pert said Thursday.

Ting Shou-chung, a member of the national defense committee of Taiwan's parliament. said the government had halt-ed payments because a resolution attached to Taiwan's aircraft budget requiring that 10 percent of the outlay be returned to Taiwan though technology-sharing or domestic production had not been met, Taiwan government offi-

cials and representatives of General Dynamics Corp., the F-16 manufacturer, held negotlations in Taipei on the cooperation agreement this month. but no agreement was reached, government officials said.

Mr. Ting. a member of the governing Kuomintang, said payments would remain suspended until an accord was reached. Defense Minister Sun Chen

said Wednesday that Taiwan had made an initial payment of S98 million for the F-16s but had not made a second pay-ment that was due Monday.

stock. The payout will be worth more than \$80 million to Mr. Buffett, out of a total of \$618 million. Mr. Buffett is not the only fan. The company's stock has outper-

See SHRINK, Page 13

# Real Estate Boosts Cheung Kong

HONG KONG — Cheung Kong (Holdings)
Ltd., the flagship investment holding company of
the tycoon Lt Ka-shing, said Thursday that its oet
profit last year jumped 28.2 percent to 6.26 billion
Hong Kong dollars (\$802.6 million).
Cheung Kong which has vast year estate inter-

Cheung Kong, which has vast real estate inter-ests in Hong Kong, benefited from continued increases in the price of apartments in the British Revenue rose 3 percent, to 10.28 billion dollars,

and operating profit leaped to 3.4 billion dollars, from 1.12 billion. But Cheung Kong's associated company. Hutchison Whampoa Ltd., suffered from losses in

its telecommunications business in Britain and from a write-down in the value of its stake in Husky Oil of Canada. Profit fell 4.78 percent to 3.17 billion dollars at

Hutchison, which also has real estate and retail

HONG KONG - Swire Pacifie

Ltd. said Thursday that its net

profit attributable to shareholders

rose 43.5 percent last year, exceed-

mg most analysts' forecasts.

transactions.

**CURRENCY & INTEREST RATES** 

eresis. Kevenue there rose 9.5 percent, to 21.03 billion dollars. Cheung Kong owns 40 percent of Hutchison.

Mr. Li, discussing Cheung Kong's results at a oews conference, said, "Barring unforeseen circumstances, the 1993 dividend woo't be less than the 1992 level." Cheung Kong's total dividend for last year was 80 Hong Kong cents a share, up from 68 cents in 1991.

China could be Cheung Kong's next big area of growth, Mr. Li said. The Hong Kong property market seemed to settle down this year, particularly in the residential sector, and Mr. Li said he expected the trend to continue in 1993. But across the border in China, mainland offi-

cials reported 12.8 percent economic growth last year. Mr. Li said further expansion into China offered great opportunities for investors. He stressed however, that China investment

See LL Page 13

billion dollars in 1991. Revenue 1991. The company proposed a fi-was up 16 percent to 38.92 billion nal dividend of 74 Hong Kong

dollars, from 33.62 billion dollars. cents a share, up from 66 cents the

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# Western Bond Issuers Go East

By Kevin Murphy

International Herold Tribute HONG KONG - With its trade surpluses creating a vast pool of capital. Hong Kong is finally becoming a magnet for Western offerings of fixed-income debt. But if the colony's bond traders think their markets will replace equities as the glamor game in town anytime soon, they are reading the tea

leaves wrong.

Asian investors at home tend to buy high-rated bonds and hold unul maturity, not trade them. That is something the region's bond traders want to change.

A glance at the region's swelling

trade surpluses explains why a del-egation from the Swedish national debt office recently touted the region, why a major French bank. BNP is flying in a capital-markets team to open shop in Hong Kong on April 1, and why General Electric Capital Corp. was able to smoothly launch a \$300 million. five-year dragon bond issue with a 2 percent yield Thursday.

"It's true, there is a large and probably growing appetite for fixed-income paper here now."

many companies who go abroad are hetter known.

portunity to broaden GE Capital's The dragon bond, essentially a investor base in preparation for fu-Eurobond sold and listed in Asia, ture issues, probably four more with two years.

But Mr. Thomas remains cautious. This market still has to prove itself and distinguish itself from others." he said. "If the issue finds its way back into the usual holders' hands, people in the Eurobond market then they will have

While strong demand appears to exist for these and other securities, a lack of supply means high-volume secondary trading in Asia has yet to materialize, and with it liquidity.

slowly than the ADB would like to see." said Thomas Jasper, managing director of Salomon Brothers Hong Kong Ltd. "The market is

#### hurt results this year and next. About 46 percent of Swire's earnings come from Hong Kong's flag carrier, Cathay Pacific. share. (Bloomberg, Knight Ridder)

The property, aviation and trading conglomerate said its 1992 earnings after tax and payments to But Digby Falkiner, senior anamioority interests, but before exlyst at Morgan Grenfell, said he still expected Swire's profit to rise traordinery items, were 4.42 bil-lion Hong Kong dollars (\$571.5 million), compared with 3.08 bil-

"between 9 percent end 12 percent lion dollars the year before. The over the next three years. The company said that "the overall outlook for the Swire Pacifresults included one-time gains of 998.2 million dollars on property ic Group remains encouraging."

Swire's Profit Beats Most Forecasts

Analysts warned that the airline

industry's financial troubles could

Operating profit rose 35 percent to 7.13 hillion dollars, from 5.27 Earnings per share were 2.783 dollars, against 1.94 dollars in

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7,00 8,00 8,35 7,85 7,45 6,60

year before. Together with an inter-

im dividend of 29 cents, dividends

Approval of the financial statements as of December 31, 1992.

Discharge of the Directors in respect of the carrying out of their duties for the year ended December 31, 1992.

Auditors. Miscelloneous.

Holders of bearer shares may vote at the Meeting in person by producing of the Meeting either shore certificates or a certificate of deposit issued by their bank which will be issued to them against deposit of their shore certificates. Holders of bearer shores may vote of the Meeting by proxy by completing the form of proxy which will be made available to them against deposit of the shore certificates as aforesoid. Shore certificates so deposited will be retained until the Meeting or any adjournment thereof has been con-

#### ditanstalt in Hong Kong, "But if Services' managing director, Pat-it's not highly rated or a name peorick Thomas, the premium is worth ple know well, they're much less the marketing exercise and the op-

interested."

primarily in Hong Kong. Singapore and Taiwan, was pioneered by the Asian Development Baok. which saw in its own needs to raise money an opportunity to spur the development of capital markets for Asian borrowers in their own time The ADB's rationale holds that

for capital pay more than equally rated Western companies and therefore should relish the opporrunity to stay at home where they But so far, dragon bond issuers

have paid for their trail-blazing. GE Capital's Thursday offer, the first corporate issue and only the third after two ADB offerings last year. was set 30 basis points above a com-

paid too much."

"It's probably developing more

See DRAGON, Page 13

## CAPITAL INTERNATIONAL FUND

Société d'Investissement à Copital Vorioble

Registered Office: L-1528 Luxembourg, 5, Boulevord de la Foire R.C. Luxembourg B 8833

Shareholders are invited to attend the ANNUAL GENERAL MEETING OF SHAREHOLDERS which will be held at 5, Boulevard de la Foire, Luxembourg on Morch 30, 1993 at 11.00 om: **AGENDA** 

1. Reports of the Board of Directors and of the Auditors.

Decision on distribution of a cosh dividend.

5. Election of the Directors and oppointment of the

#### NOTES

Resolutions shall require no quorum but a simple majority of the shores present or represented of the Meeting.

The Boord of Directors

# says Paul Giles, executive vice president for private banking with Cre-According to Oakreed Financial

#### CAPITAL ITALIA

Société Anonyme d'Investissement

Registered Office: L-152B Luxembourg, 5, Boulevord de lo Foire R.C. Luxembourg B B45B

Shoreholders are invited to attend the ANNUAL GENERAL MEETING OF SHAREHOLDERS which will be held at 5, Boulevard de la Faire, Luxembourg on March 30, 1993 at 10.00 am:

Reports of the Board of Directors and of the Auditors. Approval of the financial statements as of December 31, 1992.

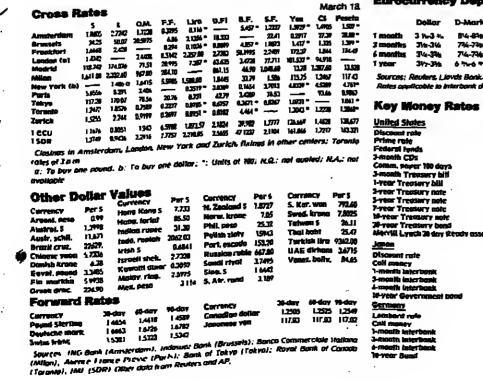
Decision on allocation of net profits Rotification of the co-optation of a Director. Appointment of the Auditors. 6. Discharge of the Directors in respect of

the corrying out of their duties for the year ended December 31, 1992. 7. Miscelloneaus

NOTES Resolutions shall require no quorum but a simple majority of the shores present or represented of the Meeting. Holders of bearer shares may vate at the Meeting in person by producing of the Meeting o certificate of deposit which has been issued to them against deposit of their share certificates with their bonkers or all offices of Credito Italiano in Italy, five days prior to

Holders of beorer shores may vote at the Meeting by proxy by completing the form of proxy which will be mode ovoilable to them against deposit of their share certificates as oforesaid or presentation of their certificates of deposit. In order to be valid all forms of proxy must reach the company of its registered office.
5, boulevord de la Foire, 1-1528 Luxembourg or at Credito Italiano, five clear days prior to the Meeting. Shore certificates so deposited will be retained until the Meeting or any adjournment thereof has been con-

The Boord of Directors



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German, U.S. Rates **Bolster Wall Street** 

NEW YORK - Wall Street tive to fixed-income securities. stocks soared Thursday because of falling German and U.S. interest lowing the bond market right

**MARKET DIARY** 

ates. now, "said Barry Berman, head The Dow Jones industrial avertrader at Robert W. Baird. age ended 38.90 points higher at 3.465.64. The session high of

#### N.Y. Stocks

3,477.26 pitched the index just below its all-time closing high of 3.478.34 set March 10.

"The Bundesbank cut its rate and that hasn't failed to give the stock market a boost yet," said Philip Smyth, a stock market analyst at Birinyi Associates.

Advancing common stocks topped decliners by about 2 to 1 on the New York Stock Exchange. Trading was active, with about

242 million sbares changing hands

Treasury bonds lose following the Bundesbank's decision to cut the discount rate to 7.5 percent from 8 percent, teports of a high amount of unemployment claims in early March, a drop in imports and exports in January, and a report from the Federal Reserve Bank of Philadelphia suggesting

slower economic activity.

The benchmark 30-year Treasury bond gained 27/32 to close at 104 5/32. The yield was 6.8 percent. down 6 basis points on the day. Falling interest rates tend to make stocks more attractive rela-"I think the stock market is fol-

"You've got a reaction to interest rates and the end of the quarter." Mr. Berman said, "Stocks that have been weak will continue to be weak because people are going to want them out of their portfolios. There's a lot of cash around that's going into stocks with more pre-

dictable earnings growth." Ford Motor Co. soared 24 to 511/2 after analysts at Smith Barney and Salomon Brothers raised their earnings estimates.

Sears Roebuck rose 2 tn 52%. The stock was recommended by miney manager Michael Price. McDonnell Douglas Corp. slid 2% to 54% on reports that the aerospace and defense contractor is being investigated by the SEC for an alleged attempt to cover up informatinn about losses on its contract to build the C-17 military transport plane. Congress is debating whether to delay or kill the project.

United Technologies Co. shed \* to 46%. The company's Pratt & Whiney engine unit plans to eliminate more than 3,600 jobs by the

end of March. Chiron Corp. jumped 2 to 52<sup>34</sup>; a Merrill Lynch biotechnology ana-lyst said Chiron's new multiple selerosis drug, Betaseron, could receive a positive review from the FDA.

#### RATE: Bundesbank Takes Action

(Continued from page 1)

tions at the beginning of this year for further easing of monetary poli-

Richard Reid, chief economist with UBS Phillips & Drew in Frankfurt, said that when Germany's political leaders agreed to a 'solidarity pact" last weekend on

#### Foreign Exchange

financing the reconstruction of Eastern Germany, all those condi-tions had been met.

"Underlying inflation is under control, the money supply growth is slowing and the unions accepted relatively low pay packages in this year's negotiations. Mr. Reid said. Those were the conditions. From this level, I see the Bundesbank conducting an orderly retreat on monetary policy. I think the key interest rates will come down in a series of small, careful steps by another 200 basis points by the end of this year and by 100 more over the

course of next year." That would put the discount rate, for example, at 5.5 percent by the end of 1993 and 4.5 percent sometime during 1994.

The monetary easing has been accelerating as the recession decpens. On Feb. 4, the Bundesbank

cut the Lombard rate to 9 percent from 9.5 percent and discount rate to 8 percent from 8.25 percent. More recently, the Bundesbank used its money market operations to guide rates lower, announcing on March 5 that it would allocate funds to the German banking sys-tem at a fixed interest rate of 8.25

the 8,49 percent rate on its securities repurchase operations. ■ Dollar Loses 2 Pfennig

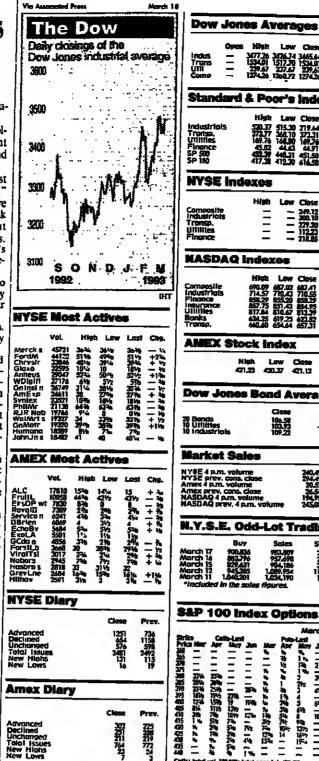
percent, down 24 basis points from

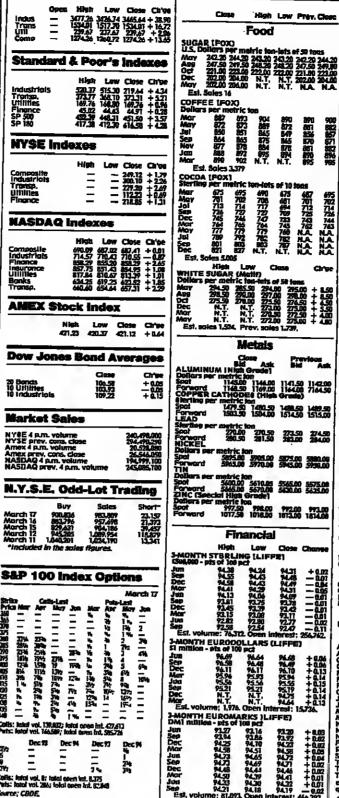
With the Bundesbank not cut-**NASDAQ Diary** ting the Lombard rate, the dollar sank 2 pfennig to 1.6415 Deutsche marks by midafternoon in New York from a close of 1.6617 DM on Wednesday, Reuters reported. We had a 'sell on the rumor.

buy on the fact' routine as the market has bought marks after they got their expected 50-basis point reduction in the discount rate," said David Cocker, currency strategist at Chemical Bank in London.

The dollar slid to 115.75 ven from 117.20 and to 5.5985 French francs from 5.6483. The pound rose to \$1.4860 from \$1.4526.

In European trading, the franc weakened to 3.4067 per mark from 3.3987 on Wednesday and tradets said they expected it to remain un-





# **EUROPEAN FUTURES** GERMAN GOVERNAMENT BUND (LIFFE) DM 258,000 · pts of 100 pct 76.05 95.60 95.76 — 0.11 96.09 95.85 95.09 — 0.14 ume: 101.006. Open interest: 1 industrials of Kemper and Lumbermans. Low BRENT CRUDE [])L (IPE Est. Sales 21,860, Pro Stock Indexes Q 24

DEDUCEN

# Kemper in Swap With Lumbermens

LONG GROVE, Illinois (Bloomberg) — Kemper Corp. said Thursday it would exchange two insurance units for most of Lumbermens Mutual Casualty Co.'s 38 percent equity stake in Kemper. The agreement will reduce Lumbermens' stake in Kemper to 4 percent, the lowest level since Lumbermens established the publicly held Kemper Corp. in 1968. Lumbermens, based in Long Grove, writes property and casualty policies under the trade name Kemper National Insurance Cos. Under the agreement, Lumbermens will get Kemper Reinsurance Co., which reinsures other property and casualty insurance companies, and the remaining half of National Loss Control Service Corp., which owns 50 percent of Kemper's Risk Management Services unit, a joint venture

### Carla Hills on Time Warner Board

NEW YORK (AP) - Time Warner Inc. said Thursday the former baseball commissioner, Francis T. (Fay) Vincent Jr., and the former U.S. trade representative, Carla A. Hills, were nominated to its board. trade representative, Carla A. Hills, were nominated to its board.

The media-entertainment conglomerate said the board had also nominated David T. Kearns, the former Xerox Corp. chief executive, and Reuben A. Mark, chief executive of Colgate-Palmolive Co., for seats.

Shareholders will get a chance to vote on the nominations at the company's annual meeting on May 20. If they are elected, they will increase the number of nonemployees who are serving on the board to 13 of 15.

Chairman Gerald Levin has moved since the death last December of the former chairman. Steppen Ross to reduce the size of the board or will the former chairman, Steven Ross, to reduce the size of the board as well as the proportion of company insiders serving on it.

## **UAL Confirms Boeing Cutback Deal**

NEW YORK (Combined Dispatches) — UAL Corp. said Thursday it had concluded negotiations with Boeing Co. over reductions in aircraft purchases. "The Boeing deal is done. We shook haads about a month ago," said Jack Pope, UAL's president, before an analysts' meeting.

Mr. Pope said UAL was in active talks to reduce engine purchases.

Separately, Japan Air System Co., which has said it expects a loss this financial year, said it had canceled plans to buy six Boeing 747-400 jumbo jets and was negotiating to buy seven smaller and cheaper Boeing planes instead.

(Reuters, AP, AFP)

 USAir will spend about \$200 million to buy Rolls-Royce jet engines to power 15 Boeing 757-200 twinjet airliners, the companies said Thursday.

The airline, based in Arlington, Virginia, now has 40 757s in service or on order. The airline also placed options to buy engines for 15 other jets, "Eighty percent of Boeing 757 operators have selected the Rolls-Royce engine, and there is clearly a high degree of customer satisfaction," said Rolls-Royce's chairman, Sir Ralph Robins. The planes are scheduled for delivery in 1995 and 1996.

#### Allstate to Offer Debt With Stock

WASHINGTON (Bloomberg) — Allstate Corp. told the Securities and Exchange Commission on Thursday that it planned to sell \$600 million of debt securities shortly after its first-time sale to the public of 78.5 million shares of common stock.

The Chicago-based Sears, Roebuck & Co. is using the initial public offering and the debt issue to sell 20 percent of Allstate, its insurance subsidiary, to the public as part of its plan to leave the financial-services

#### Japanese Buy Less U.S. Real Estate

LOS ANGELES (AP) - Japanese investment in American real estate plunged last year because of financial problems in Japan and the United

States, according to a report released Thursday.

The total Japanese investment of \$807 million in 1992, down from \$5.1 billion in 1991, was the lowest since this data was first tracked in 1985 by the accounting firm of Kenneth Leventhal & Co., company officials said California and Hawaii led the nation in attracting Japanese investment in 1992, accounting for \$619 million, or 77 percent, of the total, said the study. Nearly all of the Japanese money invested in California went to new and continuing residential projects.

A CORTA LE LES L'ARCHES L'ARCH

# Ruble Tumbles to a New Low

MOSCOW — The Russian ruble fell again Thursday at the Moscow Interbank Currency Exchange, hitting 667 to the U.S. dollar and setting yet another record low, exchange officials said.

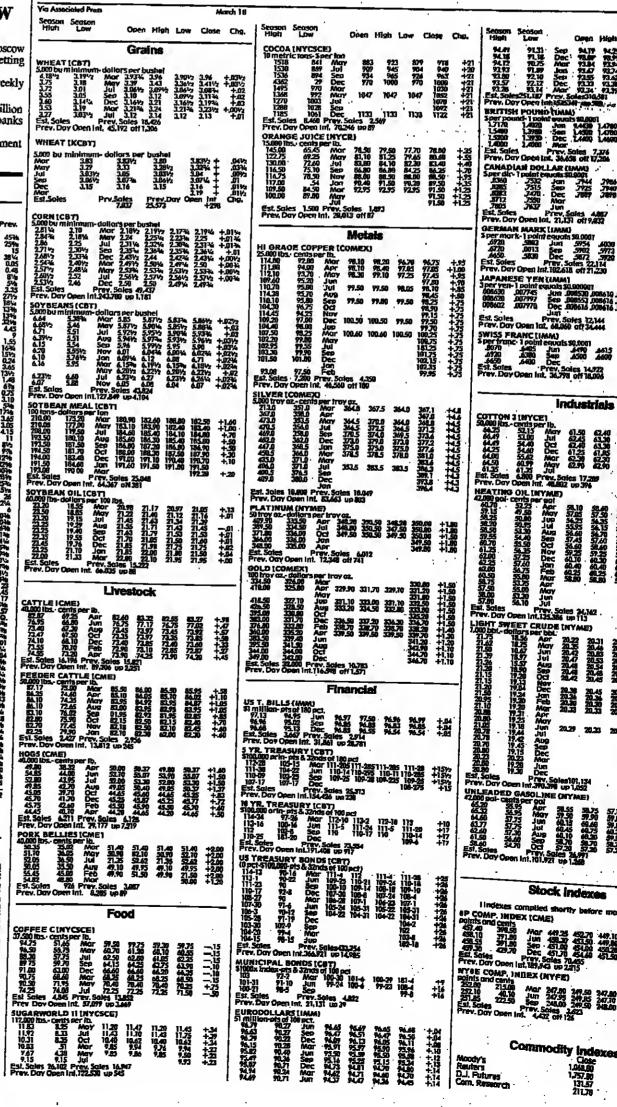
The ruble last traded at 662 on Tuesday at the exchange's twice-weekly

Trading volume was \$68.69 million Thursday, up from \$57.39 million on Tuesday, exchange officials said. Exchange officials said 64 banks

took part in Thursday's trading.

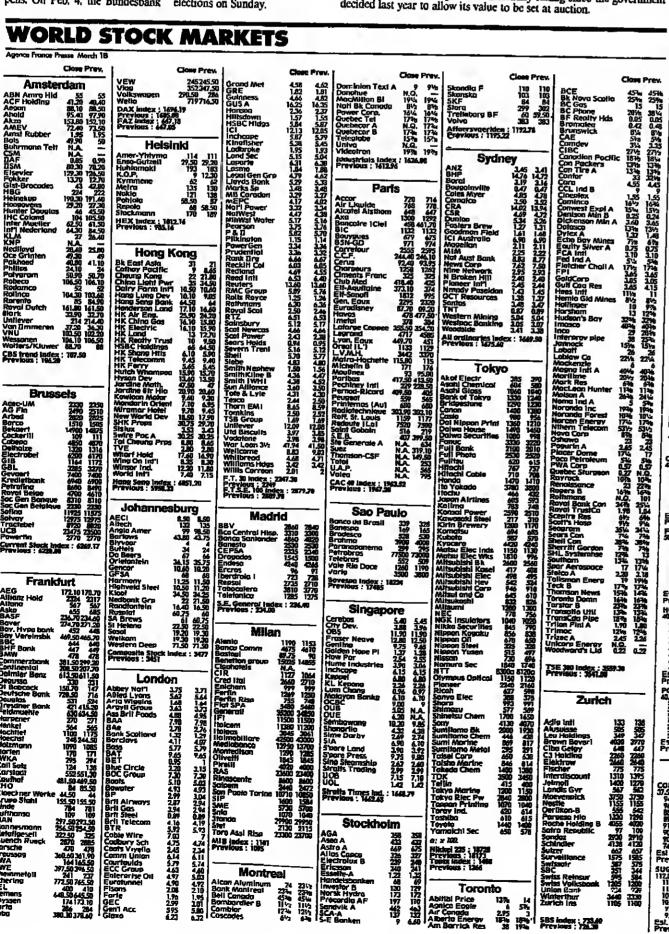
The Russian currency has been steadily falling since the government decided last year to allow its value to be set at auction.

#### **U.S. FUTURES**



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#### der pressure ahead of the French elections on Sunday.



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# When Luxury Goods Go Bad LVMH Is Bracing for Another Tough Year

Special to the Herald Tribune

PARIS — With economic storms

swilling through Europe and Ja-pan, LVMH Moet Hennessy-Louis Vuitton, the world's premier luxury-goods conglomerate, is bracing for another difficult year in 1993,

"I think 1993 will be a tough year for the world economy, and we are ready to live through it," said Bernard Arnault, chairman of the company that groups such brands as Moet & Chandon and Veuve Clicquot champagne, Hennessy cognac, Christian Dior and Givenchy per-

fumes and Virition higgage.
He said that a global economic performance similar to that of 1992 would likely mean that there would beno improvement in LVMH's earnings this year.

On Thursday, the company, as expected, posted a 20 percent decline to net earnings, to 3.0 billion francs (\$531 million), and a nearly 2 percent fall in sales, to 21.66 billion francs. The profit decline was accentuated by a 37 percent drop in Guinness PLC's contribution to earnings. LVMH has a 24 percent stake to Guinness.

LVMH shares rose 2.2 percent, to 3.442 francs, which one analyst

Hermès Plans

June Listing on

2d-Tier Market

Bloomberg Business News

French luxury goods house,

confirmed Thursday it would

be listed on the Paris second-

Hermès stock is currently

Underwriting the placement will be Banque Nationale de Paris, Banque Française du

Commerce Exterieur and Ban-

que Hottinguer, the company said. Some 20 percent of the share capital will be floated.

In a report that Hermes de-

elined to deny or confirm, the

French daily Les Echos

quoted a company executive,

lean-Louis Dumas, as saying

that the flotation would be

used to finance the company's

future development, since

Hermès had 1992 sales of

about 2.5 billion French francs

Hermès has no debt load.

(\$446 million).

ary market in June.

unlisted.

PARIS - Hermès, the

They may bave also been in-trigued by Mr. Arnault's statement that the Violton family interests may have sold a portion of their shares in recent months. The family was last known to hold around 9 percent of LVMH stock, but Mr. Arnault said it now has "a few Percent.

"If the market is buying, it's not because they think the company's operations are improving," said Loic Morvan, analyst with DLP-lames Capel in Paris. He added that 1993 "will certainly be a difficult year for charge-grant and the company of the comp year for champagne and cognac."
He said the "big question" was whether the decline in spirits sales to the Japanese market could be compensated for by growth of sales to other Far East markets.

The company reported a 17 percent drop in Japanese cognac sales, to 1.16 billion francs, while ship-ments plunged 28 percent. Japan accounts for one-fifth of LVMH's total cognac business, which was off 11 percent to 5.55 billion francs. Michael Oertli, analyst with said the decline in cognac sales to

explained as speculators "buying could signal not just a reaction to on a recovery fantasy." could signal not just a reaction to temporary belt-tightening — a temporary belt-tightening — a good part of cognac business flows from corporate-entertainment budgets - but to a change in consumption habits.

"The Japanese had been paying up to \$300 s bottle for cognac, but they now may have gotten used to paying \$30 for brandy instead," Mr. Oerdi said. "This poses a long-term threat for LVMH."

But Mr. Arnault said habits. built up over a long time, were not likely to change. "When the Japanese economy comes back — ] can't say when - our market share will be maintained and sales will come back," be said.

The company's champagne sales fell 6 percent to 5.24 billion francs and operating profit in wine and spirits plunged 41 percent to 780

The one bright spot for LVMH was its perfume and beauty-prod-ucts business, which reported a 13 percent jump in sales, to 5.49 billion francs, and a 27 percent jump in operating profit, to 809 million UBS Phillips & Drew in London, francs. Sales at LVMIPs leathergoods business declined 3 percent Japan was worrisome because it to 4.7 billion francs.

# Guinness, Too, Suffers From Economic Slump

drop in 1992 pretax profit, citing recession and restructuring charges.

The brewer and spirits distiller cautioned that conditions this year were offset by worsening conditions in continental European markets such as Germany and Spain, and the depressed Japanese market. unlikely to be better.

Guinness, which boasts top. brands such as Johnnie Walker whisky, Gordon's gin and Guin-ness stout, pushed its annual divi-dend up 10 percent to 11.85 pence a share as a measure of its long-term

But the stock slipped 21 pence to 464 pence, reflecting caution about

Guimess's pretax profit dipped to £795 million (\$1.2 billion) from 1991's restated £900 million, following a charge flagged earlier this year to reorganize its Scottish whisky and Sonsick bearing a constitute of the state of t Spanish browing operations.

Revenue climbed 7 percent to

"On balance, I don't think that the market conditions that we face chairman, Tony Greener.

LONDON — Guinness PLC on
Thursday reported a 12 percent ments in the U.S. market, especially in the second half of 1992, would be

Despite this, Mr. Greener expects to make steady progress in 1993, supported by intense marketing and cost-cutting.

Chief among the cost-reduction measures was the exceptional charge of £125 million, which would cover a ent of 15 percent of the work force, or 500 jobs, at the CruzCampo brewing operation to Spain, and a cut of 700 jobs and the closure of distilleries and bottling plants in Scotland.

Mr. Greener said Guinness's underlying profits declined due to higher interest ebarges after a string of acquisitions in 1991. Another factor that hunt was a 20 percent slide in profit at LVMH in 1993 are going to be any better Moët Hennessy Louis Viotton SA, than they were in 1992," said the in which Guinness has a 24 percent

# Surprise Rights Issue For Ahold Investors

By Barbara Smit Special to the Herald Tribune

ZAANDAM, Netherlands --Ahold NV, the Dutch food retailer, surprised investors on Thursday by asking them to subscribe to a one-for-10 rights issue to shore up its balance sheet. The chairman, Cees van der Hoeven, had previously declared the company would only resort to such a move to finance a major acquisition.

"The issue was unexpected but there is no reason to be pessimistie about it," said Heinie Hakker, an analyst at Barelays de Zoete Wedd. "Ahold needed to redress its balance sheet, and they are the type of people who will make good use of the money to

strengthen their company."
[In Amsterdam, however, traders were pessimistic. Remers reported. They pushed the company's stock down to 95.40 guil-ders (\$51.01), a loss of 2.50 guil-ders on the day, despite Ahold's assurance the issue would not dilute per-share earnings and the better-than-expected 1992 re-

sult, also reported Thursday.] The company said its earn-ings rose 10.6 percent last year. to 305 million guilders. Revenue grew to 22.3 billion guilders from 20.8 billion in 1991, and about half of last year's sales were in the Umited States. Mr. Van der Hoeven said he was pleased with the results, and he predicted further improve-

ments this year.
The 5.1 million new shares, which will not be registered in the United States, are expected to raise 400 million to 500 milbon guilders. The chairman admitted Ahold had established a wish list of acquisitions in the United States and Southern Europe, but he elaimed these would be financed with external

WINTERTHUR, Switzerland -

Rieter Holding AG said Thursday

that cooperation with Saurer-

Gruppe Holding AG would not be a

"sensible strategy" and stressed that it would remain an independent

The statement came as Saurer said that it had raised its stake to

Rieter to 13 percent from 6.8 per-

According to Mr. Van der Hoeven, stockholders' equity has been weakened by a string of purchases that cost the company about 589 million guilders to goodwill charges in the last two years. Goodwill is the amount paid to acquire a company in excess of its tangible net assets. The issue is meant to neutralize the effect of acquisitions in the past, and it will not be dilutive

funds, such as bank loans.

on a yearly basis," he explained.

Despite troubles at First National Supermarkets. Ahold's operating profit rose 16.8 per-cent, to \$169.6 million, last year to the United States. Meanwhile, cutbacks within the Dutch chain Albert Heijn helped achieve a 14 percent increase in operating profit in the Netherlands, to 222

million guilders.

"Ahold is coping very well with the market difficulties," said Mr. Hakker. "Some problems remain in the United States, but Ahold is dealing with them firmly." The dividend for 1992 has been raised to 1.15 guilders and 45 U.S. cents per share.

Reed Elsevier Profit Up Reed Elsevier, the British-Dutch publishing company, said its 1992 pretax profit rose 19 percent, to £412 million (\$596.99 million), on a proforma basis, Bloomberg Business News reported from London.

The company is the result of the merger of Elsevier NV with Reed International PLC, which took place on Jan. 1. The merged company is reporting proforma combined financial statements to "help familiarize shareholders with the financial profile of the combined businesses."

The companies continue to trade separately, with Reed holding a 52.9 percent stake in the merged concern and Else-

Rieter Rejects Accord With Swiss Rival

ness of both companies,

20 percent,

cent and said that, although the

increase did not signal a takeover attempt, industrial cooperation

would strengthen the competitive-

Earber, a Saurer spokesman had

said the company was expanding its stake to between 15 percent and

## Lufthansa Reduces Its Loss

BONN — Lufthansa's cost cuts pelped it reduce its pretax loss in 1992 to about 300 million Deutsche marks (\$181 million), from 330 million DM the previous year, the German airline said Thursday.

The preliminary report showed that the net loss also narrowed, by about 60 million DM to about 380 million DM. A spokesman said that the oper ating loss would be published by MBy. Lufthansa's chief executive,

Jürgen Weber, had predicted earlier that the operating loss would total about 1.2 billion DM. in a highly unusual move to Ger-many, Luithansa employees took a voluntary pay cut late last year, in a bid to help save the troubled airline and their jubs. Lufthansa sold off

part of its fleet and engaged in a rationalization program.

Lufthansa said it transported 27.9 million passengers in 1992. 11.3 percent more than the previous year, and 1 million tons of freight, up 6.1 percent. But sales increased only 4.5 percent to 15 billion DM, a disappointing figure that Lufthansa attributed to tight

international competition. ■ BASF Is Downbeat

BASF AG does not expect an improvement in sales and earnings in 1993, Chief Executive Jürgen Strube said Thursday, according to a Bloomberg Business News report

from Ludwigshafen, Germany. The development of the first two months contirms our view that 1993 will be a year of recession in Western Europe," he said. As a result, he said, BASF will speed up its restructuring program.

BASF's group sales dropped 10 percent to about 7 billion DM in the first two months.

Net profit plummeted 40.8 per cent to 615 million DM in 1992. Group sales declined 4.5 percent to 44.52 billion DM for the year,

An analyst at Bank Vontobel,

Thomas Pfyl, said a merger be-

tween the two textile machinery

groups appears unlikely,
"For one, the EC Commission

would object to any such merger on competition grounds, since both

companies bave facilities in the

#### Investor's Europe London Frankfurt. FTSE 100 Index CAC 40 materiain CBS Trans 106.20 107,60 6,269,17 6,220,80 10.78 Brussels Stock Index 1,685.08 ... +0.66 657.18 667.05 +0.02 .FAZ 1,012.18 985.16 #2.74 Financial Times 30 2,247.30 2.249.00 0.08 FTSE 100 2,879,70 General Index 236,40 2,889.90 -0.35 Logdon 234.00 Milan MiB 1,101:00 1,985.00 40:55 Paris CAC 40 1,983.52 1,987.26 0.19 Stockholm Albertyaariden 1,192.78 1,195.22 0,29

#### Very briefly:

Cadbury Schweppes PLC named Dominie Cadbury executive chairman and David Wellings chief executive, effective May 5.

Vienna Slock index 380.99 361.46 -0.12

Zurich SBS 733.60 726.30 +1.01

 Daimler-Benz's Deutsche Aerospace AG unit said it expected world airlines to buy 16,800 aircraft by the year 2012 to replace aging planes and for increased passenger travel.

Comptoir des Entrepreneurs SA will price its planned 800 million French frane (\$143 million) reserved rights issue at 219 francs per share, raising its capital to 792.9 million francs from 427.6 million.

Klöckner-Werke AG said its steel unit Klöckner Stahl GmbH had closed one of its two flat-steel blast furnaces in Bremen as part of a costcutting and rationalization program.

 The Dutch Central Economic Commission has recommended that the government sell off shares to state-owned companies in a bid to meet its mandated target of cutting 9 billion guilders (\$4.8 billion) from the 1994 budget deficit.

 Svenska Cellulosa AB reported a 1992 profit after depreciation of 2.03 billion kronor (\$267 million), compared with 2.72 billion a year earlier. Bloomberg, A.F.X. Knight-Ridder

## Fiat Rules Out Rights Issue

SANTA MARGHERITA, Italy - The chief executive of Fiat Auto, Paolo Cantrella, has said that the carmaker does not plan to sell new shares to swell its finances, a Fiat SpA spokesman said Thursday.

"Fiat has its accounts to order," Mr. Cantrella was quoted as saying at a demonstration of Fiat's new Delta car, "to confront and overcome difficulties down the road with its own cash flow and

without asking for capital increases."

The Fiat executive noted that the group's 10-year, 40 trillion lire (\$25 billion) investment plan was already in place. Olivetti SpA stunned tovestors earlier this week with a huge rights issue, leading to fears that Fiat might do the same.

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# LI:

(Continued from first finance page)
and multilateral government agencies. It will have to broaden to
more sophisticated, we will see
more trading, but the traditional Hutchison's total assets. Among the China projects the company is looking into are roads, power, oil and ports.

Discussing Hutchison's performance, Mr. Li said losses were incurred by the 65 percent-owned unit Hutchison Telecommunica-tions (U.K.) in 1992 and these

would continue during 1993. His statement did little to clarify the longer-term status of the sub-sidiary. Speculation that Hutchison would sell or otherwise pull out of Hong Kong stock market for some

Also contributing to Hutchison's problems was the 1.42 billion dollar write-down in the value of its 49 percent stake in Husky Oil. Mr. Li, who has been criticized for having ventured too deeply into the soft Canadian oil todustry, acknowledged that Husky's performance in the past year was "disappointing."
But he added that after a revamping of cost controls and a financial and organizational restructuring of Husky, "it is considered that the business is now secure."

"Barring unforeseen eircumstances, no further write-down should be necessary, and the company should trade profitably in 1993," Mr. Li said.

Although Hutchison cut its total dividend to 55 cents for 1992 from 68 cents the year before, an analyst at Wardley James Capel said the "worst was over" for the company. He forecast that Hutchison's profit would jump about 70 percent in about 690 million dollars in 1993

# DRAGON: Bond Offers Go East

Mr. Jasper, like many others, sees a lack of trading as part of the problem. "In our view the more

trading we see, the more the spreads will tend to narrow," he said. "There is a liquidity premium

#### **SHRINK:** Shareholders Win

formed the Standard & Poor's index of the 10 largest defense industry stocks by more than 17 percent during the past year and has been

the top performer on the S&P 500 for the last two years. Under the executive changes, Mr. Anders will relinquish one of his titles, chief executive, to James Mellor, who has been president. In addition, Lester Crown,

whose family beld a large stake in the company for many years, will retire as executive vice president. The ranks of the company's cor-porate staff in Falls Church will be slashed to 50 from 250 by the end of 1994. And General Dynamics plans to cut the size of its 16-mem-

ber board in 1994. Despite Mr. Anders's claims that the company is looking for profit-able niches in a shrinking defense industry, analysts have speculated the company is being liquidated.

Our chairman has been very

emphatic that he is not leading a liquidation," said the company spokesman, Alan Spivak. Mr. Anders was brought in as vice chairman in 1990 before as-

suming responsibilities as chief ex-ecutive in January 1991.

# Real Estate Gains (Continued from first finance page) that has to be squeezed out of the

(Continued from first finance page) dominated by triple-A corporates market."

investment policy bere is not to The Hong Kong government is eager to see the British colony develop as a capital market for Asia and is doing what it can to spur the market although it has no borrow-

ing requirements to speak of. Hong Kong is sixting on 120 billion Hong Kong dollars (\$15.5 billion) to reserves and has agreed with China, which takes control in 1997, not to have any more than 5 billion dollars in debi then. However, it has actively fostered the issu-ance and trading of Exchange Fund bills, the Hong Kong equiva-ient of U.S. Treasurys, which were

introduced in 1990. "On Thursday we had our high-est turnover yet, 37 billion Hong Kong duliars, much more than the amount of paper out there," which is 24 billion dollars, said the Exehange Fund head, Joseph Yam. China's reluctance to approve fi-

nancing for a new airport and related infrastrueture expected to cost 175 billion dollars has dealt a temporary blow in Mr. Yam's plans. There are some Hong Kong dollar-denominated nonsovereign bonds in existence, including two 500 million dollar bonds issued by

GE Capital last year. "Demand is no problem; we've developed the infrastructure and worked to extend the yield curve,

#### SAVINGS & INVESTMENT BANK LIMITED ("SIB") EX GRATIA COMPENSATION SCHEME

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Man has appointed Timothy J. Beer, Joint Liquidator of SIB and n Partner in KPMG Peot Marwick, Douglas, to administer a scheme of ex gratia payments to qualifying deposit and current account halders of the above bank, which went into insolvent liquidation on 12 July 1982.

Consideration will be given to claims under this scheme only upon receipt by the Scheme Administrator before 24 April 1993 of a fully completed claim form. Claim forms together with accompanying instructions and summary of Scheme Terms have already been despatched to all known qualifying account hol-ders at their last registered address. Any person wishing to claim compensation under this scheme and who has not received a claim form should contact:

Administrator, c/o Savings & Investment Bank Limited, ritage Court, 41 Athol Street, DOUGLAS, Isle of Man. Telephone: 0624 623056.

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Rapports du Conseil d'Administration et du Réviseur

2. Approbation de l'état du patrimoine et de l'état des opérations au 31 décembre 1992; affectation des résultais;

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4. Nominations statutaires;

5. Divers.

Aucun quorum n'est requis pour les points à l'ordre du jour de l'assemblée générale annuelle et les décisions seront prises à la majorité des actions présentes ou représentées à l'assemblée.

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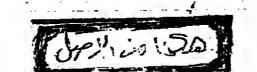
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# Glimmer of Hope for Brokers

Japan's Big 4 Lift Estimates From Dismal to Merely Bad

Compiled by Our Staff From Dispatches TOKYO - A recent surge in nrices and volume on the Tokyo Stock Exchange allowed Japan's heleaguered brokerage houses to surprise the market Thursday with financial projections for the year ending March 31 that are significantly less dismal than investors had expected.

The projections made by Japan's Big Four brokerages — Nomma Securities Co., Daiwa Securities Co., Nikko Securities Co. and Yamaichi Securities Co. - and several smaller brokerages were modest at best.

None of the four projected any profit for the year, and three of them forecast big losses. That infactor in the chiral property of the chiral p Nikko, the third-largest, said it expected to break even.

Although the figures were more pessumistic than the companies own previous projections, Japanese

buy a piece of corporate Japan.

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TOKYO - Eager to breathe new life into Ja-

pan's troubled equity market, the Ministry of Finance has launched a new investment plan that

allows even the most penny-pinching investor to

The stock accumulation investment system

popularly known as ruito, was unveiled by the

government in August as part of a package of rescue measures for Japan's stock market and the

The new plan allows investors with as little as

That is good news for Japan's small investors. For years, this group has been all but locked out of

10,000 yen (\$85) a month to accumulate ownership

in many of Japan's best-known listed companies.

a stock market governed by trading rules geared to larger players. In the past, anyone buying individ-

ual stocks had to purchase a minimum of 1,000 shares, which cost an average 1 million yen per

Ruito accounts "are probably one of the biggest"

investment opportunities for small-lot investors in

Japan, said a spokeswoman for Nomura Securities

Co. That is especially true for people interested in

purchasing stocks with an eye to capital gains,

since Japanese companies pay notoriously poor

Japanese brokerages, including the Big Pour firms,

Nomura Securities Co., Nikko Securities Co., Ya-

vehicles among small-lot investors have been in-

vestment-trust funds, which are similar to mutual

funds. As with mutual funds, though, the disad-vantage of investment trusts is that investors may

maichi Securities Co. and Daiwa Securities Co.

The accounts may be set up through seven

Until now, the most popular stock investment

primed the markets to expect losses of as much as 15 billion year at Nomura and 13 billion at Nikko. Daiwa, Japan's second-largest

broker, said it now expected to report a group current loss of 7 billion yen, while Yamaichi, the fourth-largest and weak sister of the Big Four, said it expected a loss of 36 billion yen at the group level. Investors, however, had been braced for losses of as much as 17 billion yen at Daiwa and 45 billion yen at Yamaichi.

Japan's second-tier securities companies also slashed their forecasts, with 10 of them saying they expected losses.

As bad as the numbers were. they came as something like a breath of fresh air — or at least a breath — to an industry suffering through the fourth year of a vicious bear market.

Japan'a Nikkei 225 average tum-bled 63 percent from its peak in December 1989 to a low of 14,309,41 in August 1992. It has

Tokyo Opens Up to Small Investors

invested in.

media reports in recent weeks had since recovered slightly, to stand at primed the markets to expect losses a 1993 high of 18,727,90 as of Thursday's close, but that still leaves it more than 50 percent below the 1989 peak.

The securities firms' projections were released after the market had closed, but the stocks of the Big Four all rose. Nomura gained 100 yen to 1,840 yen a share, Yamaichi rose 72 to 650, Nikko rose 55 to 845, and Daiwa rose 82 to close at

A surge in volume on the Tokyo exchange since March 5 has given the brokerage houses, which rely on commissions from stock transactions for much of their income, a badly needed lift. Volume on the first section of the exchange, which averaged 264.6 million shares a day in 1992, has averaged 483.8 million

shares over the last two weeks. The rise in prices of Japanese stocks and bonds in recent months also has helped the brokerages by reducing their losses on securities held in their own investment port-(Bloomberg, AFP)

not choose which particular stocks their money is

Given Japan's high per-capita savings rate (14 percent of disposable income), brokerages reeling from a three-year bear market may feel that indi-

vidual investors have become a group they can no

longer afford to ignore.

The percentage of Japanese stocks owned by individuals has plummeted from 69.1 percent in 1949 to just 23.2 percent in 1991. Corporations,

brokerages and financial institutions, meanwhile

have increased their portion of share ownership

This trend has been created largely by an exten-

sive system of corporate cross-shareholdings that has formed over the past five decades. Under this

system, companies with strong business ties and

those belonging to the same ketresse, or semiformal corporate groupings, systematically buy up each other's shares to strengthen their nartual ties. As a result, the pool of shares available to trade

on the open market is limited. That makes it harder

for individual investors to get in the game and

The small size of ruito accounts also make it

unlikely that they will have an appreciable impact

Craig Chadler, a strategist at UBS Phillips & Drew International, said that even if the Nikkei

continued its recent surge, a parallel surge in ruito accounts is unlikely. The reason is that Japanese

companies, on the whole, pay tiny dividends.
While Japanese stocks have until recent years

produced high capital gains, Japanese dividends just don't measure up. The average annual divi-dend yield on Japanese stocks is "about one-muth

of a percent," compared to 3-5 percent for U.S.

reduces the market's liquidity and efficiency.

on the market anytime soon.

stocks, Mr. Chudler said.

from 28.1 percent to 70.7 percent.

# 11 Charged in Thai Scandal

BANGKOK - A Thai businessman and 11 of his associates were formally charged Thursday at Bangkok's criminal court with violating the Securities and Exchange Act, a court official said.

Song Vacharastiroj and the other 11, some of them his relatives, denied the charges and were released on bail of 1 million baht (\$40,000) each. They were ordered to appear in court on April 23. The Securines and Exchange Commission, the Stock Exchange of Thailand's watchdog body, announced last November that it was pressing

charges against Mr. Song and his associates for alleged stock manipulation. The scandal rocked the stock exchange, sending the index into one of the most dramatic plunges in

its history. Mr. Song, 35, surrendered to the police almost immediately, insisting that he was innocent, and was released on bail.

The case involves Mr. Song's alleged attempt to take over the Bangkok Bank of Commerce.

The economic-crime suppression police unit completed its investigation of the case at the begin-ning of February and handed its evidence, which included some 7.900 pages of documents, to the public prosecutor.

Another financial scandal erupted in mid-February when the First City Investment Group partly collapsed and had to be bailed out by a state-run financial institution. Mr. Song is understood to have had links with First City's management.

## U.S. Investors Rush for New Zealand

WELLINGTON - New Zealand currency and bond markets attracted strong U.S. buying Thursday for a second day, and the local dollar and bond prices rose, traders said.

Alistair Norris, a senior dealer with the Bank of New Zealand, said the New Zealand tradeweighted index, a basket of currencies of the nation's major trading partners, rose to a five month high of 54.27 on heavy currency buying by New York investment houses.

"They've brought a lot of money into the country, and seem to have been very active in today's 300 milhon dollar (\$159 million) govern-ment bond teoder," he said. They're coming here because our bond and other yields are very high internationally.

The New Zealand dollar was quoted at 53.37 U.S. cents late in the day, its highest level since October. Markets in New Zealand tend

to watch the trade-weighted index more than the dollar exchange rate. In the government bond tender Thursday, November 1995 bonds sold at yields of between 7.06 percent and 7.09 percent, compared with 7.25 percent on Monday. Bonds maturing in 2004 sold at between 7.36 percent and 7.43 per-cent, compared with about 7.81

percent in February. Warren Paine, a money market dealer with Ord Minnett, said overseas interest was spread throughout

#### Steady Australian Growth

Agence France-Presse SYDNEY - The Australian economy expanded 2.5 percent in 1992, according to national accounts data released Thursday. The data showed gross domestic product rose by a seasonally adjusted 0.7 percent in the fourth quarter, showing an economy in a subdoed but steady recovery from recession.

three-month bill rate dropping to 7.04 percent from 7.17 percent. "It is mainly offshore money driving yields down," he said.

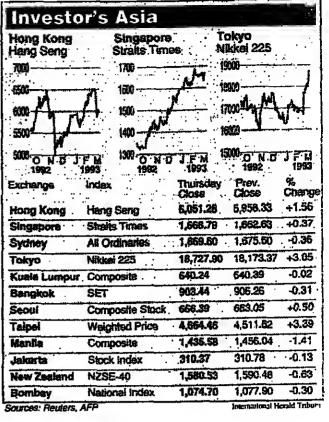
Mr. Norris said some of the money flowing into the market was coming from London, apparently on concerns there about the growing British budget deficit.

The higher New Zealand dollar, which made stocks more expensive for foreign investors, kept a lid on the stock market, where the 40-share index lost 9.95 points to 1,580.53.

Equities trading was quiet except for offshore interest in major companies with U.S. interests, said Derek Wickenden, a broker at Cavill White Securities.

Telecom, which is controlled by Bell Atlantic and Ameritech, closed down 2 cents at 2.84 dollars. Carter Holt Harvey, partly controlled by International Paper Co., closed unchanged at 2.92 dollars.

(Bloomberg, Reuters)



#### Very briefly:

Petrones Carinali of Malaysia is lowering crude production from a major oil field off the coast of Sarawak by up to 20,000 barrels per day, a company officer said, cutting the country's crude output by 3.1 percent. Amalgamated Steel Mills Bhd.'s consolidated pretax profit fell 12.5 percent to 61.28 million ringgit (\$23.6 million) in the last half of 1992.

 That Airways International is delaying plans to acquire 12 Boeing aircraft worth \$2.75 billion; the first of eight 777s was to have been delivered in January 1996 and the first of four 747-400s in October 1996. · Hong Kong Telecommunications Ltd. is abandoning a plan to set up an operator-services center in Shenzhen, southern China.

 China's State Planning Commission and the Civil Aviation Administration of China have announced that Hainan Airlines will buy four Boeing 737-300s, the official China Daily reported. Bloomberg, AFP, Kinght-Ridder

High Low Stock

#### 1 Million Join Strike **Against Indian Banks**

Agence France-Presse

BOMBAY - Nearly 1 million employees of state-ruo Indian banks went oo strike Thursday, crippling business natioowide in a bid for higher wages and benefits.

The All-India Bank Employees Association, which called the oneday protest, said workers from other bank trade unions joined the walkout to demand better pensions and higher wages.

The groups were also protesting New Delhi's reported move to end state controls of the banking sector in line with reforms aimed at opening up the economy.

# China Spurns U.S. Over GATT 'Safeguards'

BEIJING - China will not submit its

market reforms to internacional monitoring and safeguards in exchange for admittance to GATT, the foreign trade minister, Li Lanqing, said Thursday.

The United States said last mooth that if

China were to join the General Agreement on Tartifs and Trade, a monitoring system should be set up to ensure that Beijing lived up to its obligations and its schedule for market reforms.

Calling such a system "unnecessary," Mr. Li added, "If you ask us to give you safeguards, will you also give us safeguards?" The issue has apparently stymied China's bid to join the worldwide trade group this year. But Mr. Li said he still believed Chinese

membership was "only a question of time." "As a very important trading nation and also as a nation with tremendous potential to develop foreign trade," Mr. Li said, "China's GATT contracting party status must be resumed." Mr. Li repeated China's position that it must be admitted to GATT before the international trade body accepts Taiwan as a

separate "customs territory." Turning to reports that the government was ready to see the yuan fall to 10 to the dollar, Mr. Li said, "It is out of the question

drastically to devalue the Chinese currency. The government said last week that it had been forced to prop up the yuan after the currency had lost 40 percent of its value io a year. The yean currently is quoted at 5.75 to the dollar at state banks and is being traded at about 8 to the dollar on officially sponsored swap markets.

Separately, Britain called on China to separate trade issues from the two countries current war of words over Hong Kong.

The colony's governor, Chris Patteo, pointing out that Britain had lobbied Washington to protect China's most-favored-nation trading status with the United States from being restricted on political grounds, said, "It's rather an important matter for Chioa that trade doesn't become politicized." He was responding to an assertion by Mr.

Li that Chinese-British trade could suffer because of the dispute over Britain's efforts to expand democracy in Hong Kong. (AFP, AFX, Bloomberg)

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# The Butch Reynolds Case: Settlement in Store Soon?

By Filip Bondy

ATLANTA -- The Butch Reynolds case is moving quickly toward its chmax, with a settlement likely soon to head off a potentially em-barrassing confrontation Friday at the International Olympic Com-

mittee meetings.
Reynolds was awarded \$27.3 million in December in his lawsuit against the International Amateur Athletic Federation, and talks recently between the two sides have led to considerable pressure on Primo Nebiolo, president of the IAAF. for a compromise agreement.

"It is a matter for the IAAF," Juan Antonio Samaranch, the president of the International Olympic Committee, said in an interview here Wednesday. "But I am hope-ful it will be settled very soon."

. There is reason for haste on the part of IAAF negotiators. David Young, a lawyer for Reynolds, said Wednesday from his Columbus, Ohio, office that his firm would consider employing a legal proces-sor to serve a summons to Nebiolo at his scheduled news conference here Friday.

Nebiolo is making his first ap-pearance in the United States since a Federal District Court in Columbus ruled in favor of Reynolds in a suit attacking his two-year suspen-sion from the sport. Reynolds was banished after a positive drug-test result at a meet in Monte Carlo in

Nebiolo, who lives in Rome, has said until recently that the IAAF

lawyers have begun to contact corporations in the United States with sponsorship ties to the IAAF, and are plotting other strategies to make Nebiolo's life miserable.

"It's something worth consider-ing." Young said of the notion of serving Nebiolo with legal papers Friday. "We'll have to watch developments in the next couple of days. There's some potential for an amiable settlement. The time may well be ripe for resolution."

The Reynolds case impacted Wednesday on a session of the IOC executive board, where members backed away from a proposal to carry out blood testing at the 1994 Olympics in Lillehammer, Norway. Instead, blood will be drawn only from the arms of skiers, who already are being tested in this fashion by their governing body.

The decision represented a tactical switch by Alexandre de Mer-ode, head of the IOC medical commission, who historically has urged the use of blood testing on all athletes at the Olympics.

"The legal environment has changed a lot in the last few years." de Merode said. "When you meet barriers, you step back a little. It's irresponsible to start an operation that's not ready to be implemented. Only a stupid person never changes

De Merode said the commission would continue to study blood doping, and other forms of tests.

would not recognize the findings of the U.S. courts. But Reynolds's follicles to detect illegal drug use. "Anti-doping methods cannot be built in a day," he said.

■ Krabbe Gets a Boost

Katrin Krahbe's hopes of avoiding a four-year doping ban received a boost Thursday when it was revealed that influential scientific reports backed up her case that she had not taken banned steroids, Reuters reported from Bonn.

The German double world sprint champion was suspended with teammates Grit Breuer and Manuela Derr in September after testing positive for the drug clenbuterol, which some scientists argue is a stimulant and not an anabolic

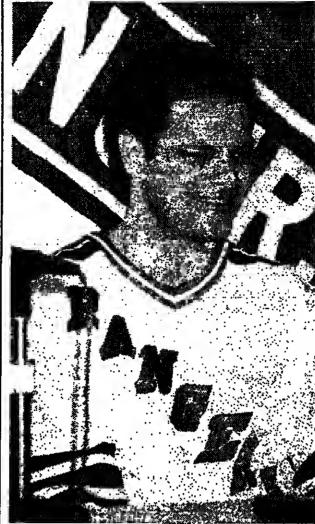
A German athletics source, who is very close to the case, said that two of three independent reports ordered by the arbitrating panel clearly stated that the drug was a stimulant, some of which are allowed during training.

The German athletics federation panel, which is expected to an-nounce its decision this month, has out a great deal of emphasis on the indings of the reports. Two of the three experts definitely say in the reports that elen-

buterol is not a steroid," the source,

who did not want to be identified,

said. On that basis nothing has happened and she should be free." Krabbe's manager, Jos Hermens, and the panel president, Wolfgang Schoeppe, have refused to comment on the findings of the reports.



Veteran forward Esa Tikkanen of Finland was obtained by the New York Rangers, who are gearing up for the playoffs, in a Bure and Scianne. Some believe Mogilny, 24, is the straight player swap for promising center Doug Weight. fastest skater in the league, although Detroit's Sergei

# The NHL's European Facelift

# New, Fast-Skating Players Are Transforming Hockey

new trails. Europeans have left a distinctive mark on hy is no slouch when it comes to speed. the National Hockey League this season.

"They've changed the face of the game," says Boston defenseman Ray Bourque.

Of course, Europeans have played in the NHL for many years, but never have so many done so much in so little time. Mogilny, Selanne and Bure are not only the top Europeans these days, they're also topping everyone else — Canadians and Americans alike with their scoring exploits.

Mogilny, a Russian, leads the NHL with 69 goals, shile Selanne, a Finn, has 62 so far in his recordbreaking rookie season. Bure, another Russian, had been battling with Mogilny in a brilliant goal-scoring race for most of the season until Selanne stormed into the picture. Bure, with 53 goals, is the first 50-goal scorer in Canucks history and recently broke the franchise record for points in a season.

Selanne's 54th goal broke Mike Bossy's single-season rookie record of 53, and he virtually is assured of breaking the rookie points record of Peter Stastny, another European from Czechoslovakia. Stastny scored 109 points with the Quebec Nordiques; so far, Selanne has 105 with 13 games to go.

While European players have had great seasons in the past, such as Finland's Jari Kurri and Stastny, at no time in NHL history have so many players from outside North America dominated the league as they

"NHL hockey has gradually become a quicker, faster tempo, somewhat tailor-made for the Europeans to come over and play," says Winnipeg's general manager, Mike Smith.

"There isn't as much played in the trenches any-more. It's more of a flow game, a transition game." And few make the transition as well as Mogilny,

With Buffalo's Alexander Mogilny, Winnipeg's Teemu Selanne and Vancouver's Pavel Bure blazing new trails, Europeans have left a distinctive work.

Bure, 21, was last year's NHL rookie of the year. Selanne presumably will be this year.

Selanne has carried over success from home in establishing an immediate presence in the NHL. He twice was player of the year in the Finnish Elite League and led the league in scoring and lokent to the

Bure also made an immediate impact, and continues to prove his initial season was no fluke. Clear'v, he has improved after a 60-point season in [49]-92 that included 34 goals.

Mogilny took some time to reach his potential. On May 2, 1989, he risked his career to defect from the then-Soviet Union to join the NHL.

"He does things on the ice that I've never seen people do," said linemate Pat LaFontaine, who ence played with the likes of Mike Bossy and Bryan Trottier with the New York Islanders.

The emergence of great European talent in the NHL is the result of a socio-political phenomenon, of course. When the Soviet Union disbanded, players whom the NHL fantasized about for so many years

became available almost overnight. In 1967-68, slightly more than I percent of the league was composed of players born outside of North America. This year, that figure is more than 17 per-cent, many of them from Eastern Europe. In the next two seasons, the figure is expected to swell until former Soviet players represent 20 percent, non-North

Americans 30 percent or more. To me, the impact of the Russians has been tremendous," said Bob Pulford, senior vice president of the Chicago Blackhawks. "Every team has three, four and five Europeans because they are skill players. In order to stay up with the other teams in the NHL you have to stay up with what's going on across the Atlantic in recruiting

# Ryan Still Speedy at 46, Striking Out 4 Yankees

If his latest outing is typical, No-lan Ryan has lost none of his stuff "I think be des

"This was important for me," Ryan said after allowing one hit in five shutout innings against a New York Yankees' split squad on great role model without question."
Wednesday night. "I backed off my Hershiser has pitched on openprogram a little bit because of the

Ryan struck out four and walked none. The only hit he allowed was Pat Kelly's sharp single with two outs in the third.

- "I was a little concerned about my command, because I haven't been out there for a while, but it felt more toward my stamina." said Ryan, who threw over 90 miles per hour. "I had good command. When I got behind, I threw the ball in spots I needed."

Ryan combined with three relievers on a two-hitter as the Rangers' split squad won I-0 at Port Charlotte, Florida, on Donald Harris' RBI triple in the third.

Orel Hershiser was pleased, too. He had a so-so outing in the Dodgers' 8-5 victory over the Philadelphia Phillies at Vero Beach, but Los Angeles manager Tommy Lasorda

pitch against the Florida Martins

"I think be deserves it," Lasorda said. "It's against an expansion elub, which will make it an historic day. He's been the leader of our staff, and a tremendous guy and a

Hershiser has pitched on opening day twice in his 10-year career, weather. I needed to throw to live in 1987 and 1990. This start, be said, would be historic for him personally because of his personal

"It would be an honor." Hershiser said. "But for me, personally, it would be very significant. It would mean that I've come all the way back and that I'm a strong part of the staff again."

In St. Petersburg, Florida, both Canseco brothers had great days. Uzzie. Jose's twin prother, hit a three-run homer in the fourth in-

Jose, his younger brother — by just two minotes — had three hits and drove in Texas' only run in the third off Bob Tewksbury, who alsaid Hershiser probably would lowed four hits in four innings.

#### SIDELINES

#### St. Jovite Retired With Tendon Injury

LONDON (Reuters) - St. Jovite, the European horse of the year in 1992, is to be retired to stud after injuring a tendon during a workout in preparation for a racing campaign in the United States. The 4-year-old was due to make his American debut in May after spending the winter at owner Virginia Kraft Payson's training center in New York

He was being trained by Roger Attfield, who said that "St. Jovite worked an easy mile at Gulfstream Park on Sunday, March 7. Sometime after the work it was discovered that an old injury to the tendon had

#### ITF Turns Down Swiss Cup Plea

GENEVA (AP) - The International Tennis Federation rejected Thursday the Swiss team's request to call off its Davis Cup series against India in Calcutta next week because of recent bombings in the country. A Swiss tennis federation spokesman, Daniel Monnin, said the ITF told the team it must show up for the first-round World Group series, March 26-28, after Wednesday's blast in Calcutta.

The Swiss team will travel to India "hoping for the best," Monnin said. He said Indian tennis authorities told the London-based ITF that the

players' safety would be guaranteed.

#### For the Record

Diego Maradona, the Argentine soccer star, and his former manager, ruillermo Coppola, could be indicted for drug trafficking, the Rome daily La Repubblica said reported Thursday, for an alleged shipment of 3 three-run homer in the fourth inning and added an RBI single as
the St. Louis Cardinals beat the
Rangers' split squad 7-1.

"Everything's coming together,"
said Ozzie, who is battling Brian
Jordan for the right field job in St.

Louis.

Louis Cardinals beat the
Rangers' split squad 7-1.

"Everything's coming together,"
said Ozzie, who is battling Brian
Jordan for the right field job in St.

Louis.

Louis Repubblica said reported Thursday, for an alleged shipment of 3
kilograms (6.6 pounds) of cocaine from Argentina to Italy in 1991. (AP)
Italian tax police searched the headquarters of the Italian first division
club Fiorentina this week in a probe of multi-million-dollar player
contracts, police said Thursday.

(AP)
Jodami, an 8-I chance ridden by Mark Dwyer, overtook Rushing Wild,
the leader from the start, after the last of the 22 fences and won the
Cheltenham Gold Cup in England by two lengths Thursday. (Reuters)

#### Quotable

Dusty Baker, the San Francisco Giants' manager, on Barry Bonds's attitude: "He doesn't have to march to the same drammer as long as be's

SUCH A HEAVY

#### SCOREBOARD

WESTERN CONFERENCE Midwest Division

26 17 24 24- 93 31 27 25 31--114

BASKETBALL

**NBA Standings** EASTERN CONFERENCE Orleade 24 27 22 23— 36
Dallas 15 28 26 23—32
O'Neal 7-12 7-13 21, Anderson 2-20 5-6 25;
Jockson 7-18 3-4 17, Iuzzolino 5-6 2-2 15, Rebeueds—Ortendo 44 (O'Neal 12), Doillas 40
(Don's 10), Assists—Oriendo 31 (Skiles 4),
Dallas 76 (Jockson 6),
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(Corbin 10), Assists—Defroit 19 (Thomas 4),
Utoh 32 (Stockton 12).
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98
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BASERALL

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CALVIN AND HOBBES

Althemakee 25 24 8 34-91 ladkon 12 20 33 33-714 Doy 7-105-620, Roberts 6-87-717; Allier 5-12 7-8 20, Fleming 6-7 2-4 14, Allichell 9-14 1-1 20, Rebounds-Milworkee 38 (Lohous, Roberts 5), Indiano 76 (Schrempi 15), Assists-Althemakee 21 (Murtock, Mayberty 6), Indiano 29 Ischremot 7). HOCKEY

**Exhibition Results** 

Attonto 3, Houster 2, 7 Innings
Pithsburgh 4, Florido 3, 5 unings
Cleveland vs. Minnesota ccd.
Los Angeles 8, Philodelphia 5, 7 Inni
Bottimore 14, Defroit 1
Mentreal 8, N.Y. Mets 3
Chicogo White Sox 4, Toronto 3
N.Y. Yorkees (ss) 1, Boston 2, 5 Inni
St. Louis 7, Texas (ss) 1
Cinching 16, Konsans, City 1

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WALES CONFERENCE .

CAMPBELL CONFERENCE

Wort's Division

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11 37 27 7 83 307 748

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10 36 31 9 75 244 297

10 15 31 30 9 75 244 297

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. THURSDAY'S RESULT

Edination
H.T. Romeits
H.T. Romeits
Monson (T2), Corson (14), Klime (29), Mac
Tavish (77), Messier (23), Okzyk (15), Bour
que (6). Shels on geni—Edinapho (no Yon
blestrouck) 11-12-72-3-36, New York (or
Ramford) 24-21-34-0-59.

CRICKET

#### TRANSACTIONS

BASEBALL

League; and Pele Janicki, pitchers, ic Cadar Rapids, Midwest League N.Y. YANKEES—Optioned Robert Eco-

SEATTE—Allia Mersholl, first beamen, seatte—Allia Mersholl, first beamen, retired. Released Brion Fisher, pilcher, Sent Connels Mortinez, outhelder; Altic Fitzgerus, catcher; and Jim Canversa, pilcher, to their minor league camp for recasionment, Sent Ke-vin Coffront, pitcher, outright to Calgary, PCL.

Minimat League
CINCINNATI—Son' Willie Growne, Ihird
bestween, and John Roper, eticher, to Ibelr
esteer league come for recast ament, Wolved
Jonde Guttis, goldner, to give him his uncondi-

floriol release.

LDS ANGELES--Cultioned After: Burstifes, Mike James and Gree Honsel, Pilichers, Albuquerquis, PCL and Jim Desett and Javier Defebeyo, pilichers, to San Antonio, Texas wolvers from Toronto, Sent Chris Nichiles, pitcher, outright to Albequerque.

SAN DIEGO—Orthoned Rey Hilbert und Iders; Dave St

BASKETBALL DALLAS—Put Derek Harper, Sward, on Island flat. Activated Brian Haward, guard-forward, from Injured list.

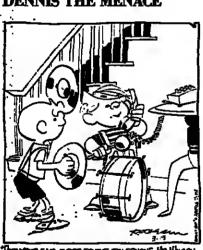
GOLDEN ST.—Put Tim Hardaway, quart-on Injured list. Activated Allan Lister, center.

SOCCER

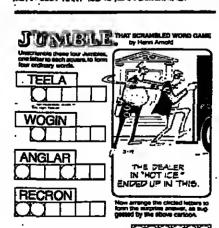
INTERNATIONAL FRIENDLIES Tunisio 8, Switzerland ( Brazil 2, Poland 2

ROTTEN TRUCK

#### **DENNIS THE MENACE**



FIT YOUR EAR CLOSE TO THE TELEPHONE JAR WILSON.



Ŋ

Jumbles FEINT PRONE RANCID INDUCE What the presenter's wife wore to the party-

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#### **PEANUTS**

BLONDIE



BEETLE BAILEY

THAT?













A NICOTINE PATCH

IT'S TO HELP ME STOP SMOKING









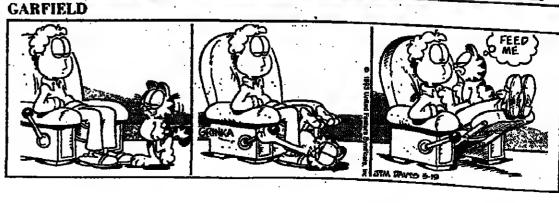


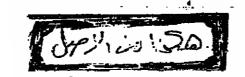
KIDS WALK

MITHOUT EVEN ABOUT IT.

**REX MORGAN** 







# SPORTS BASKETBALL

# Escapes Penalty

Driver's Apology Accepted by FISA

PARIS - Auto racing's international governing body decided Thursday not to take action against three-time world champion Alain Prost, three months after the mercurial Frenchman criticized sport-

officials in an interview. suspended from competition over comments appearing in a French auto magazine in January in which he called racing officials "lackeys" and said the sport was dominated

by "sheer greed."
The World Motor Council of the International Auto Sports Federatioo met Thursday to discuss Prost's comments, which some officials found disparaging to the

sport.
The World Council heard Mr. Prost and decided unanimously to accept the explanations of the driv-er," said Max Mosley, FISA's pres-

The issue of this notorious article is over. The world championship will begin without this discussion and in a positive atmosphere." Mosley said

Prost had criticized the sport's hierarchy in an interview poblished in January in the French magazine Auto Plus

He was quoted as saying that Formula One racing "is too badly managed. It's oot normal that it should be Bernie Ecclestone, the boss of a Formula One manufacturer's syndicate which no longer exists . . . who decides everything." Prost was also quoted as saying,

Bernie Ecclestone takes decision which are exactly the opposite of what ought to be done." Prost however offered the motor

council a tape of original interview, which he said showed his statements were not as harsh as they were portrayed. Prost, tempted first to champion

Compiled by Our Staff From Dispatches

Antoine Kombouare scored a

goal six minutes into overtime Thursday night to put Paris-St.

Germain into the semifinals of the UEFA Cop tournament after visit-

ing Real Madrid had shocked the

sell-out crowd at Parc des Princes

Paris-St. Germain appeared

bound for the next round with a 3-0 at the end of regulation time. But in injury time, Real Madrid scored in the 92d minute when Ivan Zamor-ano, a Chilean striker, kicked the

ball through the legs of Paris' goal-keeper Bernard Lama. That made

it 3-1 for the match, and tied the

teams in goal aggregate since Real Madrid had won the first leg, 3-1.

Kombouare jumped high in front of a group of players on a Paris-St. Germain free kick and headed the

ball past Paco Buyo, the Real Ma-

drid goalkeeper. That gave Paris-St. Germain a 4-

I victory as it advanced with a 5-4

George Weah of Liberia had giv-

en the home team a 1-0 lead in the

34th minute. Then, in the 81st min-ute David Ginola scored to make it

2-0 and Valdo added what was thought to be an insurance goal in

the 89th minote before the fire-

works started in injury time.
Borussia Dortmund 2, AS Roma

0: Goals five minutes on each side

of halftime put Dortmund, playing at home, into the UEFA Cup semi-

Defender Michael Schulz had

put Dortmund even on aggregate, following its 1-0 first-leg loss in Rome two weeks ago, with a left-

foot shot into the corner from out-

Then Lothar Sippel, who got to

play only because of an injury to Swiss striker Stephane Chapuisat.

caught the Italian defense cold sec-onds after halftime when he headed

home a cross from German inter-

national Knut Reinhardt. Dortmund, Germany's only re-

maining club io the three European

club competitions, still had to get through a nervous second half of

pressure and uncompromising

The German team was lucky that

side the box in the 41st minote.

goal aggregate.

Four minutes later, however,

into a stunned silence.

the cause of an athlete's freedom of speech, opted for discretion and "From time to time, you have to

put your pride to one side," he explained. "It was never my intention to defame anyone." It was a far cry from the Prost

who had thrown down the gauntlet by saying: "After being in motor racing for 20 years, Formula One for 12 and winning 44 grands prix and three world titles, I think I have the right to express my opin-

Mosley, accompanied by Prost at a news conference after the hearing, said: "The more contact we have the more I'm convinced that we can understand each other. He's an intelligent character and very

Mosley added: "The explanations of Mr. Prost and his sporting spirit impressed the World Coun-

Following the decision. Prost said he was relieved and that "we need to forget these discussions. It is important to go to Brazil and speak about sport again."

Prost came back to Grand Prix racing after taking a year off. He was fired by Ferrari after criocizing that team's performance throughout 1991.

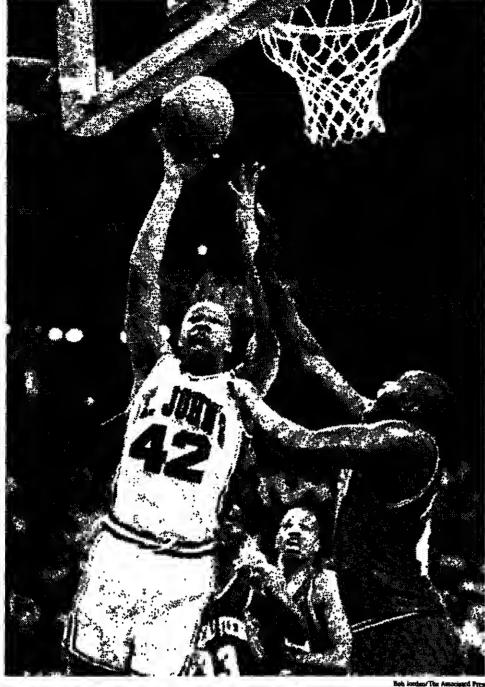
This week he won the opening race of the 1993 season at the South African Grand Prix in a Williams-Renault. It was his 45th victory, a Formula One record. The oext race is the Brazilian Grand Prix on March 28.

Prost, who won world championships in 1985, 1986 and 1990 with MeLaren, went to the Williams team after Frank Williams and British star driver Nigel Mansell could not agree on a contract.

Mansell won the driving ofle last year and helped Williams win the constructors' crown. Prost's MeLaren years ended bit-

terly because of a personality clash with Brazilian teammate Ayrton Senna that was so explosive that it led to more than one crash on the

His final year with the British team, 1989, was marred by con-(AP, Reuters)



Shawnelle Scott got past Texas Tech's Will Flemons for two points as St. John's won, 85-67,

Silvano Benedetti did not put

Roma in the semifinals when his

header hit the post in a turbulent

15-minute period following Sip-

Spartak booked a place in the semi-finals of Cup Winners' Cup tourna-

ment in a violent match in which

The second-leg quarterfinal con-

test was littered with bad fouls and

finally exploded in the 85th minute

when Spartak attacker Fyodor

Cherenkov was sent off for kicking

an opposent to the ground. De-fender Ulrich van Goebbel of the

two players were sent off.

artak Moscow 3, Feyenoord 1:

Paris, Dortmund Slip Into UEFA Cup Semifinals

# Kansas, St. John's and Florida St. Pass First Tests in NCAA Tourney

Adonis Jordan and Steve Wood-

berry sparked a 10-2 second-half run Thursday and second-seeded Kansas pulled away from 15th seed Ball State for a 94-72 victory in the NCAA Midwest Regional opener in Rosemont, Illinois.

Rex Waiters made six 3-pointers and scored 23 points for Kansas (26-6), which was stunned by Texas-El Paso in the second round of last season's NCAA tournament The Jayhawks, the nation's ninthranked team, play Saturday against

Brigham Young.

Jeermal Sylvester and Jamie
Mathews scored 18 points each for
Ball State (26-8), which was seeking to match its tourney success of 1990 when it upset Oregon State and Louisville before a two-point loss to eventual champion UNLV. The Cardinals trailed by only 57-56 before Jordan's 3-pointer with 14:19 to play began the sport that put Kansas in command. After Sylvester scored, Woodberry hit a 3-

pointer, stole a pass and fed Jordan for a fastbreak lay-up. Jordan capped the run with another 3ter for a 68-58 lead. Brigham Young 80, Southern Methodist 71: Brigham Young led all the way but allowed Southern Methodist to draw close several

times before pulling out the second game in Rosemont.
The Cougars (25-8) were led by
Gary Trost's 26 points.
Southern Methodist (20-8)

trailed by as many as 14 in the opening half, but drew within two points early in the second half. The Cougars responded with a 3-point-er from Trost and a jam by Russell Larson to go in front, 46-39. Gerald Lewis had back-to-back

baskets for the Mustangs to close the gap to 52-50, but BYU got a basket from Trost to go up 55-50, then went on a 6-0 run for a 61-51

the deficit to 74-69, but the Cou- ment. gars held on by making 13 of 16 free throws down the stretch.

EAST REGIONAL John's 85, Texas Tech 67: Reserve guard Carl Beckett sparked a late run to help St. John's pull away in the last nine minutes in the first game in Winston-Salem, North Carolina The fifth-seeded Redmen (19-10)

won for the fifth time in seven games and advanced to Saturday's second round against Arkanaas.
St. John's held 12th-seeded Texas Tech to two field goals in the final 10 minutes. The Red Raiders missed 23 of 24 shots from the field

The Redmen broke open a close game by scoring 24 of the last 32 points. Beckett scored six of the Redmen's first nine points as they pulled away from a 61-59 lead. Texas Tech (18-12) was making its first NCAA tournament appear-

ance since 1986 and was seeking its first victory in the event in 17 years. Instead, the Red Raiders fost to a Big East team in the first round for the third consecutive time. Texas Tech, which won the

Southwest Conference tournament, ended its winningest season David Cain had a triple-double

with 12 points, 11 rebounds and 11 assists. Derek Brown led St. John's in scoring with 17 points.
Will Flemons led Texas Tech with 26 points.

No. 12 Arkaneas 94, Holy Cross 64: Corliss Williamson continued his recovery from an early-season foot injury by scoring 19 points as the No. 4 seed Razorbacks (21-8) advanced to play St. John's.

Williamson, a freshman who re-turned to action Jan. 23 after missing 13 games with a stress fracture of his left foot, rebounded from

Cross committed six turnovers during the first spurt and finished with 12 for the half.

The 13th-seeded Crusaders (23-7), playing in their first NCAA tournament game since 1980, had averaged more than 92 points over their last 17 games, but Arkansas' trapping defense put Holy Cross in a defensive mode from the start. Holy Cross hasn't woo an NCAA tournament game in 40

years, losing five straight.
SOUTHEAST REGIONAL. Florida St. 82, Evansville 76: Sam Cassell scored 18 points and Charlie Ward had 15 to pace a balanced attack that carried Florida State to victory in the first round in Orlando, Florida.

Doug Edwards finished with 14 points and 12 rebounds and Rodney Dobard had 13 points and six blocked shots for the Seminoles (23-9), who advanced to Saturday's cond round against Tulane.

Florida State, seeded third, regained its shooting touch and shut down Evansville (23-7) with releat-

Tulane 55, Kansas St. 53; Matt Greene's three-point play with less than a minute left put Tulane ahead, then Pointer Williams preserved the victory with his defense in the second game in Orlando.
Tulane (22-8), the 11th seed,

pulled off a first-round upset for the second year hi a row with its victory over No. 6 seed Kansas State (19-11).
The second half saw 12 lead

changes and three ties before Tu-lane went ahead for good with 52.7 Williams drove the baseline and

passed off to Greene, who banked two free throws and Harris scored m the shot despite a foul by Anthoon a driving lay-up to put Long my Beane. Greene made the free Beach ahead, 70-69. throw to put Tulane up, 54-53. win it for Kansas State, but his 10- Beach's threat.

SMU used three straight turns two poor-shooting games in the foot jumper was no good with overs for a 7-0 run that narrowed. Southeastern Conference tourns about 10 seconds left. Tulane got

The Rezorbacks, who received sion on a jump ball.

an at-large bid, used runs of II-0 LaVeldro Simmons was fouled and 10-0 in the game's first 12½ by Kansas State and made one of minutes to grab a 29-10 lead. Holy two free throws with 5.3 seconds to go. The Wildcats pulled down the looking to tie it. But as he pulled up to shoot just outside the foul line, Williams stripped the ball away as the horn sounded.

Ironically, Tulane's winning points came at the foul line. For the game, the Green Wave made only 4 of 13 from there.
WEST REGIONAL

Himois 75, Long Beack St. 72: Remie Clemons scored four points in the final 1:23 as Illinois overcame upstart Long Beach State in o first-round game in Salt Lake City. Trailing by 70-69, Clemons drove the lane, ended up under the basket and flipped in a one-handed

the ball on Long Beach's next possession, and Clemous scored again on the same type of shot to put Illimois ahead, 73-70, with 17.1 seconds remaining. Freshman Richand Keene made two free throws to seal the victory for the sixth-seeded Fighting Illini (19-12).
Illinois will meet the winner of

the later Boise State-Vanderbilt Deon Thomas led the Illini with 20 points and nine rebounds. Andy

Kaufmann finished with 14 after going scoreless in the first half. Harris led 11th-seeded Long Beach (22-10) with 27 points in the 49ers' first appearance in the NCAA tournament since 1977. Chris Tower added 17.

Rod Hannibal tied the game for Long Beach at 67-67 by converting the second of two free throws with ·2:40 to go. Bryon Russell hit the second of

Clemons then scored the first of Vincent Jackson had a chance to . his two crucial baskets to end Long

## Ohio St., UNLV Among The First to Fall in NIT

Three days after surgery, Joby Wright made Ohio State hurt more

Wright, who tore a tendon in his ght knee last week during the Mid-American Conference tourns ment, was ecstatic after Miami of Ohio upset the Buckeyes, 56-53, Wednesday night in the first round of the NIT. Mismi became the first Mid-American Conference school to beat Ohio State in a decade and the first Ohio school to beat them since 1987.

"My rear end was so tight I was breathing out my ears." Wright said of the final hectic minutes. Jamie Mahaffey scored 16 points and made Miami's last two field goals. Scott Belyeu led Miami (21-

8) with 18 points and Matt Krauer added 10. Derek Anderson paced Ohio State (15-13) with 15 points, Southern Cal 90, No. 25 UNLY 74: In Las Vegas, Lorenzo Orr had 20 points and nine rebounds as Southern Cal beat UNLV; which played without J.R. Rider, the na-

played without J.K. Rider, the nation's second-leading scorer, who was suspended Tuesday for academic irregularities.

UNLV trailed by as many as 23 points before rallying within seven points with 4½ minutes remaining. points before rallying within seven points with 4½ minutes remaining. Minnesota 74, Florida 66: In Minneapolis, Voshon Lenard led balanced scoring for the Gophers 18-10) with 15 points. The Gators. (16-12) played without top defensive player Hosie Grimsley, who broke his left wrist in the SEC tour-

well-placed lob from 19 meters. and then made it 2-0 in the 58th West Virginia 95, Georgia 84: In minute on a shot from 15 meters set Morgantown, W. Va., Pervires Greene scored 22 points and Tracy up perfectly on a crossing pass from Manuel Alfaro de la Torre. Shelton added 20 for the Mountaineers (17-11), who led 48-25 ear-I in the 60th minute when a long crossing pass bounced off an Atle-tico defender and was headed into ly in the second half. Charles Claxton led the Bulldogs (15-14) with 21 points and 16 rebounds.

(AP. Reuters) son, Wis., David Hoimes scored a deficit.

career-high 32 points, with two free throws with 26 seconds left helping Rice (18-9) survive having wasted a 13-point lead. Michael Finley scored 23 points for Wisconsin (14-14) and broke Danny Jones' single season record of 611 points, set in

Oklahoma 88, Michigan St. 86: In Norman, Okla., freshman Ryan Minor scored 10 of his career-high 22 points in the final four minutes for the Sooners (20-11). Michigan State (15-13) seemed to have the game in hand after Anthony Miller's second straight follow shot gave it an 80-73 lead with 4:08 left, but wound up losing for the sixth time in seven games.

11.04

#### Mays Avoid Mark As the Magic Help

The Associated Press DALLAS - The Dallas Maver-, icks avoided one of the NBA's most inglorious records behind a rookie playing his eighth game and a refu-

19-game losing streak with a 102-96 victory over the Orlando Magic. In winning their fifth game of the season, the Mays fell one loss short

of tying the NBA record for con-secutive losses in one season. The 1972-73 Philadelphia 76ers. the team went 9-73, still stand alone with 20 consecutive losses. The overall record losing streak is 24 consecutive defeats by Cleveland over two seasons.

Shaquille O'Neal had 21 points and 12 rebounds for the Magic, but didn't score in the fourth quarter, oints and 16 rebounds. when his team got three field goals
Rice 77, Wiscousin 73: In Madi-

# Jets Sign Quarterback Esiason

ackling from Roma.

HEMPSTEAD, New York - It was coincidence, wasn't it, thet Boomer Esiason will be playing for the New York Jets of the National Football League next season. Barely 24 hours after Reggie White, the most

sought after of the oew free agents, told the by signing Esiason, the club did exactly that Wednesday. lo the biggest trade for an established player

since their founding in 1960, the Jets acquired Esiason, one of the NFL's most productive and skilled quarterbacks of the 1980s, from the Cincinnati Bengals. The Jets immediately announced that Esia-

son would compete with the incumbent, but inexperienced, Browning Nagle for the top spot. The Jets' former starting quarterback, Ken O'Brien, will be traded, said general manager Dick Steinberg.

However, Esiason, 31, outspoken as always. put the deal in perspective: "They didn't trade for me and my salary to stand on the sidelines. Obviously, you've got to go in and battle for a job, and that seems to be the company line for now. You don't have to be o genius to figure out what that means."

In other words, Esiason expects to start for the club he used to watch when he was a high-school player in East Islip. . He will be playing for a coach, Bruce Coslet, who was his mentor as offensive coordinator with the Bengals, and went to Super Bowl XXIII with Esiason during

the 1988 season. To acquire Esiason, the Jets vielded a thirdround pick to Cincinnati for this year, and a conditional second-round pick for 1994. The conditional choice kicks in if Esiason performs in half the Jets' plays or starts eight games, and has a quarterback rating of 89.

A few years ago, though, the draft picks would have been o bargain, even with the \$2.7 million Esiason will earn this season. But Esiason failed to put up impressive numbers the last two years and was benched for the final five games of 1992 in favor of a rookie. David Klingler. That came under the Bengals' new head coach, David Shula.

The acquisition of Esiason continued the Jets' strategy of trying to become respectable immediately. Only a week ago, they dipped into the new free agent market with a potential commitment of \$8.1 million to acquire a pair of 30-something stars, safety Ronnic Lott and defensive end Leonard Marshall

# King Probe Said At Grand Jury

Spartak, which won by 4-1 on

aggregate, made sure of its place in

the last four with two goals in the

last 10 minutes of the match, which

was moved to Torpedo Moscow's

stadium after being postponed on Wednesday because of a water-logged pitch.

Spartak increased its apprepate

lead to 2-0 when Valeri Karpin

scored after just eight minutes, but the Dutch made the match score 1-

WASHINGTON - In the midst of a year-long FBI investigation of boxing promoter Don King, a federal grand jury in New York has begun hearing evidence in recent weeks of alleged criminal wrongdoing by King, according to sources fa-miliar with the probe.

The investigation, headed by the U.S. Attorney's Office in lower Manhattan, appears to center around the business practices of King, who has promoted lights for hundreds of boxers, including Mike Tyson.

Federal authorities recently subpoenaed computer-generated financial re-cords from King's East Side Manhattan headquarters, and at least one employee of Don King Productions, Inc. has appeared before the grand jury in recent days, sources said.

The investigation had been lumbering along on the backburner for some time but now it's on the middle burner," said a source familiar with parts of the investigation.

# **ESCORTS & GUIDES** BELLE EPOCH

Dutch team was quick to follow Hungarian international striker drid to the Cup Winners' Cup semi-Cherenkov from the field, ejected Joszef Kiprich. drid to the Cup Winners' Cup semi-finals on a 4-2 aggregate score.

hav finally made sure of victory in the 80th minute when he rammed

the ball inm the net while virtually

on the goal line after a free kick

In the dying seconds, striker Duitri Radchenko sprinted 30 me-

ters through a static defense before

tucking the ball past goalkeeper Ed

Atlético Madrid 3, Olympiakos 1:

rebounded off the post.

de Goey.

Spartak midfielder Igor Ledyak-

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Gary Lineker and Razali Sand both lost track of the ball during an exhibition match in Singapore that drew a sell-out crowd of 45,000 to

see an eight-man side from the English star's new team, the Nagoya Grampus of J-League that will soon to begin playing in Japan.

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#### Manolo Sánchez Delgado scored twice to advance Atlético de Ma-INTERNATIONAL CLASSIFIED (Continued From Page 4) **ESCORTS & GUIDES ESCORTS & GUIDES**

A sellout crowd of almost 70,000

in Madrid saw Manolo put his club

ahead, 1-0, in the 10th minute on a

The Greek club cut the lead to 2-

the net by Yiotis Tsalouhidis.

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# صكذامن الأصل

#### **OBSERVER**

# The Time of Heroes

By Russell Baker N EW YORK — Interview with a survivor: counter I thought I'd better huy anything I could find.

Question: What was your first reaction upon learning that the storm of the century was coming your way?

Answer: I wondered how bad a storm had to be to get a storm-ofthe-century rating. Was a storm of the century worse than a mother of all storms? Wouldn't a world-class storm be worse than a storm of the

century? O. What did you do?

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A. I wrote a note to Richter. Q. Richter? A. The man who invented the

Richter scale for measuring earth-quake violence. I urged him to invent a storm scale so people will know what they are up against. O. What measures did you take

to prevent calamity? A. I went to the grocery to huy

Q. You ignored warnings from your TV weatherman and your TV doctor not to drink alcohol because it gives you a false sense of warmth then you are trapped outside in a

blizzard and in danger of freezing?

A. I never drink wine when trapped outside in a blizzard. I just wanted to be prepared in case howling winds failed to blow the roof off my bouse, and I found myself trapped snugly inside hy a roaring fireplace.

Q. At the grocery did you buy anything but wine?

A. Yes. I bought clothespins. Q. You intended to hang laundry on the line despite warnings that the storm of the century was coming? Was this a symbolic act of defiance of nature's whimsical cruelty?

A. I would have bought some food if there'd been any left, but the store was packed with people buying the last of the food and carting it away by the truckload. When I saw all the shelves bare I thought, "I'm going to starve because of this terrible storm

Q. You had no food left at home? A. Only a six-week supply. O. The spectacle of panic shop-

ping made you panicky too? A. I wouldn't say panicky, but when I saw all the food shelves empty, then saw the last of the toilet paper and scouring cleanser

heing hauled to the checkout

O. Even clothesnins? A. What's so silly about clothes-

pins? If the storm of the century had destroyed the nation's power grids, it would have been the end of electric laundry driers. People would have to go back to the oldfashioned clothesline. With clothespins I'd be in a powerful bargaining position now.

Q. You deny that media panic about an impending calamity affect-ed your ability to think coolly?

A. Cool was my middle name 25 the calamity approached. Coolly following advice issuing from my TV set, I stocked my car with blankets, food, water, flashlights, snow shovels, sand, high-intensity gasoline lanterns and a canary.

Q. A canary?
A. If the canary dies I know the car is filling up with deadly gases, so I can put down the windows to clear the fumes, wrap myself in the blankets and let the water freeze solid, thus providing beavy weap-ons with which I can bludgeon desperadoes who try to steal my food and flashlights. With the gasoline lantern and snow shovels I'm ready to bury these marauders by lantern light under six feet of snow. The weight of the sand will keep them from floating to the surface.

Q. You were planning a long

A. Are you crazy? The TV was warning everybody not to drive. What's more, I'm a terrible driver even in good weather, and I lack the killer instinct necessary to cope with crazed desperadoes likely to commandeer my car if the storm of the century turns out to be the mother of storms

Q. Am I correct, then, in saying that it was base and fily-livered cowardice that accounts for your surviv-

A. Plus the wood that made the fire roar, and the wine that was ignored by the locusts at the super-

Q. You felt no shame at all? A. Not until my lowa friend Winokur called this morning to say that in Iowa their storms of the week make our storm of the century seem gentle as a summer shower. New York Times Service

By Patt Morrison

OS ANGELES — Helen Hayes, who died Wednesday at the age of 92 was perhaps the last of America's great ladies of the stage. The Washington-born actress, who stood 5-feet-nothing and once described herself to a magazine as "a little Irish biddy." managed, without tiger skins or tantrums, to outlast and usually out-act Hollywood's ferociously slinky glamour queens on their own film ourf.

Offstage, Hayes's life was every bit as ladylike as her conduct in front of audiences. It was an appeal she was at a loss to explain, except, she wrote once, "I sometimes think that I am the triumph of the familiar over the exotic.

And it may have been that familiarity that enabled her to become one of the very few actors to cross comfortably between film and stage, although she always pre-

With her disciplined stage technique and personal uprightness (she once lost an alphabet game among New York's 1920s literati because she did not know swear words), she was never entirely at ease in Hollywood, whose star system and "arrogance" she came to loathe, especially after the less-than-kind treatment accorded her screenwriter husband, Charles MacArthur.

She nonetheless made more than a score of movies, and beat Hollywood at its own game, winning two Oscars almost 40 years apart: as best actress in her first major film "The Sin of Madelon Claudet," in 1931, and as best supporting actress in "Airport" in 1970.

In between the films was the stage work that really mattered to her. Her debut was at age 5 in "The Prince Chap" (well attended hy her father's Elks club and her moth-er's bridge group) and her Broadway career began four years later with "Old Dutch."

One of her most memorable stage roles was "Victoria Regina" (a part she acted 969 times, and of which, years later, seeing tapes of her national tour, she remarked scornful-"Phony, totally overdone . . . all those Shrine auditoriums where you worked so hard to reach the balcony").

Her long affair with the theater was forced to an end in 1971, during "A Long Day's Journey Into Night." She was aller-gic, doctors learned, to the dust that clings densely to theater seats and scenery. It was a reluctant parting "For 60 years," she wrote, "I've beard, Two minutes, Miss Hayes, and I've sprinted onto the stage. It's become a reflex, Pavlov's

actress, that's me." She turned zealously to movies and television, hringing to them all (a "Love Boat" episode with her adopted son, the actor James MacArthur, a documentary on ag-ing, "The Snoop Sisters" with Mildred



Helen Hayes the Lady, Onstage and Off

Helen Hayes with Gary Cooper in the 1932 movie "A Farewell to Arms, and on stage in "Victoria Regina" in 1935."

Natwick, even a Walt Disney trifle like "Herhie Rides Again") the stage dignity even those minor roles could not impede

With little of the prima donna in her, the self-effacing Hayes — whom one studio mogul found "sexless" — still held serencly fast to the public's heart for years, through the flashy spats and scandals of such glamour queens as Jean Harlow and Joan Crawford. "I had learned to be an actress,

Hayes wrote. "I never learned to be a star." Her "only rebellion and a most unlikely change of script" was her marriage to the wayward, hard-drinking, quicksilver, wit-ty, divorced journalist-playwright MacAr-thur, who with Ben Hecht co-authored "The Front Page."

It was a marriage of opposites that the acidulous critic Alexander Woollcott described as "hang some chintz curtains on the lip of Vesuvius and call it home."

The 28-year marriage that ended with MacArthur's death in 1956 was a warp and woof of contradictions that made the fabric of their lives together so strong, "He saw the woman lurking in the girl," she wrote. "It was Charlie who gave my life reality, who handed me my sovereignty, the identity that completed my education as an actress and began it as a woman." It was a marriage "crammed with abysmal moments and glorious hours."

The story of their first meeting has become a piece of Americana. It was at a party and Irving Berlin was playing the piano with one linger. "The most beautiful young man" Hayes said she had ever seen. walked up and asked, "Do you want a peanut?" As MacArthur poured them into her trembling hands, he added, "I wish they were emeralds."

(Over the years that line dogged them everywhere - including a 10th anniversary dinner where a bowl of green-tinted peanuts was set at their table. It all so depressed MacArthur that, returning from World War II, he dumped a bag of emer-alds in her lap and announced: "I wish

At another party, determined to impress her husband's clever friends, she took a deep breath and declared, "Anyone who wants my piano is willing to it," and after a profound pause, the playwright George S. Kaniman, who had co-authored "To the Ladies" for Hayes, said, "That's very sel-dom of you, Helen."

She could not even be indignant very effectively. On the set of "Arrowsmith," the director John Ford yelled, "Get on that set and stick to your acting -such as

it is!" Her rage was huge, and she drew herself up haughtily and said. "I am not accustomed to being speaken to in that manner" — to the guffaws of everyone.

After the death of her only daughter, Mary, of polio in 1949 and MacArthur's in 1956, Hayes ended her "painful exile" and returned happily to the Catholic fold she had left just as happily to marry MacAr-thur, a divorced man. It seemed, she wrote, "that it was going to have to take the whole Roman Catholic Church to replace him."

As her zest for acting leveled off, she was awarded the oldest Roman Catholic honor in America, the Laetare (rejoice) Medal at the University of Notre Dame, presented in 1979.

The woman who called herself a "fighter" chaired groups combating polio. "Jonas Salk told me I was one of the biggest assets he had in getting his vaccine to the world," she told a magazine interviewer. In 1987 she told an audience of health-

care workers that she had come in at the turn of one century, and had no plans to leave until the turn of another. And she was finding in old age its own rewards. "Strangers on the street say I'm an inspiration to them. . . . Youth and middle age are much harder."

The German writer Ganter Grass has received the Hidalgo Prize from a Spanish Gypsy group.

published in January 1990.

PEOPLE

Trading on Royalty:

Scandal in the Cards Trade you a Charles for two Fer-

gies: A Dailas entrepreneur has

picked up on the mania for royal paraphernalia and is putting out

roval trading cards. Beginning next week Victor Shaffer's 110-card set

will be available in the United

collection includes tabloid-style

headlines and photos along with

spicy summaries by the gossip col-munist Liz Smith. Sets include "Scandals," with details of high liv.

ing, rumored love affairs and marital turmoil, and "Fashion," a pho-

tographic essay showeasing Princess Dians and the Duchess of

York. Shaffer's target audience?

Women between 18 and 54, a group

that buys the bulk of supermarket

tabloids but is almost nonexistent

Although he never applied for the job, the conservative firebrand Roth Limbaugh has been named honorally spokesman for the Great American

Measout, the day Americans are

asked to skip eating meat for a day. Meatout National said Limbaugh

who routinely lambasts the event on

his national shows, was chosen be-

cause he has done more to publicize

Clint Eastwood says he began car-rying a handgun after a tabloid ran a

phony story declaring that a neo-Nazi group had put a \$100,000 price

on his head. "I stayed armed most of

the time," the actor-director testified

at a hearing for Antonio Castro Jr. and his wife, Renee, who have pleaded guilty to fraud charges in-volving stories they sold to the

Globe and other supermarket tabe

Eastwood said he received tele-

phone threats after the article was

the event than anyone else

in the trading card market.

States, Canada and Britain, The

The National Association of Gypsy Presence gave the award in recogni tion of Grass's unwavering defense of the rights of minority groups. The Spanish anthropologist Tomis Calvo Buezas was also honored

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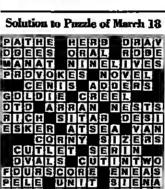
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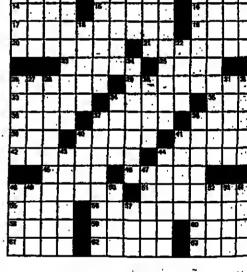
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D New York Times, edited by Eugene Maleska.

49 Buck herolog 34 Statue in 52 Fire: Comb. S7 Thun's river.

#### BOOKS

#### THE FOUR SONYAS By Vladimir Paral. 391 pages.

\$22.95. CATAPULT By Vladimir Paral. Both translated from the Czech by William

Harkins. 240 pages. Paperback,

\$10.95. Both published by Cat-

bird Press. Reviewed by Richard Lourie

AREADER opening either of these two novels might well expect descriptions of packed huses and long lines, the typically Czech aromas of cabbage and despair. Vladimir Paral's prose is, however, more redolent of cuisine

reality except for that of feelings. The world his prose creates is an amusement park of the psyche where there is ride after exhilarating ride, some through dark tunels, others looping the loops of light and delight.

Both of these books, jauntily translated by William Harkins, are preposterous comedies of rampant desire. In "Catapult," when a young married engineer becomes involved with seven women by answering personals, an erotic dream come true turns into a nightmare. He promises to marry them all, going so far as to accept employment in their vicinity and to rent an apartment with each. He dashes madly from one to the other - a master of train timetables, he rarely misses a connection. But time, and seven women, are pressing on him to act. "The greatest torment is not

to be able to decide, but if deciding fetters one so isn't that torment one's last remaining liberty . . . "

Liberty becomes torment in Paral's world, and torment liberty. Everything there is in a bright liquid flux, an effect Paral achieves both hy what he says and how be says it. Scenes with the seven women are sometimes intercut so quickly that the reader isn't sure which woman the hero is with, a sly trick to make the hero's own confusions contagious. Paral keeps switching the narrative point of view in a razzledazzle of pronouns. T

The hero of "Catapult" attempts to interest several men in his wife, so that he can leave her with the least possible guilt. It is only here that Czech reality intrudes - the housing shortage is so severe that a the "ordinary Sonya," a young woman's charms are best portrayed stunningly beautiful orphan who

in terms of the real estate that comes with her.

Paral creates a world, like that of dreams, where the most banal and fantastical elements hlend harmoniously so that we both recognize the hero's life as highly improbable and also accept his emotions as real and legitimate, and either laugh or wince depending on our degree of identification. The suspense, the essence of all storytelling, is generated hy the hero's predicament and his need finally to choose. The magic of Paral's art is that while tickling us to laugh at his hero, he somehow makes his fate a matter of ntmost importance.

"The Four Sonyas" is an erotic sonals. In either case, the ride is picaresque epic that recounts the adventures of Sonya Cechova, who is not one woman but four. There is

has become the oppressed servant in the inn of some distant and hilarjously larcenous relatives. "Besides the ordinary Sonya I am also Sonya Marie (quiet, gentle, defenseless and happily subservient), next So nya-Marikka (provocative, bold, risk-taking, wild) and then Anti-sonya (she always tells the unpleasant part of the truth). And Of the two books, "The Four Sonyas," is, in my opinion, the better. Paral's descriptive gifts are in sharper focus (the strings on a smashed guitar are "dangling like the hair of a hanged hippie") and the perils-of-Pauline story is more engrossing than that of the Pasha of the Per-

well worth the ticket. Richard Lourie, the author of a just-published account of a Russian serial killer, "Hunting the Devil," wrote this for The Washington Post

#### By Alan Truscott

HE title of most-traveled expert undouhtably belongs to Mahmood of Pakistan and Manhattan, with Martin Hoffman of England in the runner-up position. Among female players, Sa-bine Zenkel of Chicago seems to have the strongest claim. She represents her native country, Germany. regularly in international competition and was in Europe in January for other tournaments.

On the diagramed deal, Zenkel held the South cards in the final match at the Regional Swiss Team Championship, and landed in a "hopeless" three no-trump contract after making a light opening contract bid. She would have failed by four tricks if the defenders had surrendered a spade trick while re-taining the king in the East hand.

A diamond shift at the second trick would have resulted in at least a three-trick defeat, but East continued with a spade. West took the chance: A diamond shift was still

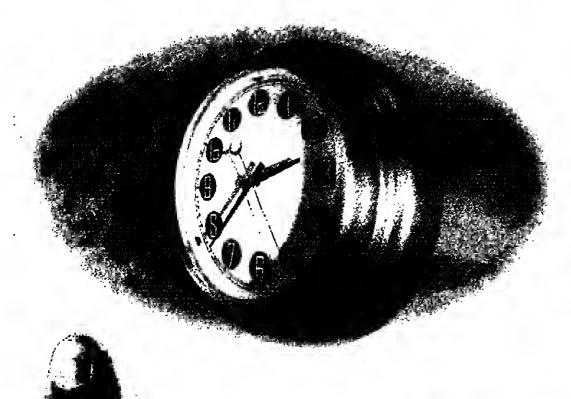
BRIDGE

When West woodenly played a third spade, South scized her op-portunity. She won the queen and led the club king. West was forced to hold up his ace, and South carefully cashed dummy's heart winners to deprive West of exit cards. She then led a club to the queen and West was helpless. The club suit could not now be shut out, entry if East led that suit.

Making three no-trump gained

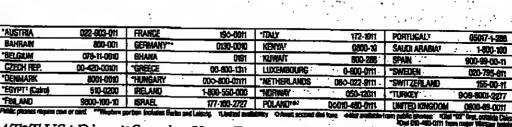
But West led a low spade rather II imps for Zenkel's team, for in than the ace, and East put up the the replay North played in three

king, killing the defensive pros-hearts, failing by three tricks.



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